

Prospectus

28 April 2023

Master Prospectus (Islamic Funds)

Manager	:	Principal Asset Management Berhad (199401018399 (304078-K))
Trustee	:	AmanahRaya Trustees Berhad (200701008892 (766894-T)) HSBC (Malaysia) Trustee Berhad (193701000084 (1281-T)) Universal Trustee (Malaysia) Berhad (197401000629 (17540-D)) MTrustee Berhad (198701004362 (163032-V)) Maybank Trustees Berhad (196301000109 (5004-P))

THIS IS A REPLACEMENT MASTER PROSPECTUS (ISLAMIC FUNDS). THIS MASTER PROSPECTUS (ISLAMIC FUNDS) IS ISSUED TO REPLACE AND/OR SUPERSEDE THE MASTER PROSPECTUS (ISLAMIC FUNDS) DATED 1 JULY 2022.

This Master Prospectus (Islamic Funds) is dated 28 April 2023 and incorporates the following 11 Funds namely:

Equity Funds	Constitution Date
Principal DALI Equity Growth Fund	7 May 1998
Principal DALI Equity Fund	30 April 2003
Principal Islamic Malaysia Opportunities Fund	1 August 2012
Principal DALI Asia Pacific Equity Growth Fund	8 October 2004
Principal Islamic Enhanced Opportunities Fund	15 June 1995
Principal Islamic Small Cap Opportunities Fund	30 April 2003
Principal Islamic Asia Pacific Dynamic Equity Fund	2 June 2006
Mixed Asset Funds	
Principal Islamic Lifetime Balanced Fund	8 March 2001
Principal Islamic Lifetime Balanced Growth Fund	26 May 2003
Sukuk Funds	
Principal Islamic Lifetime Enhanced Sukuk Fund	23 February 2005
Principal Islamic Lifetime Sukuk Fund	8 October 2004

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS MASTER PROSPECTUS (ISLAMIC FUNDS). IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER. FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 32.

THE FUNDS ARE MULTI-CLASS FUND AND ARE ALLOWED TO ESTABLISH NEW CLASS(ES) FROM TIME TO TIME AS MAY BE DETERMINED BY THE MANAGER.

ABOUT THIS DOCUMENT

This Master Prospectus (Islamic Funds) introduces you to Principal Malaysia and its diverse range of Islamic Funds comprising equity funds, mixed asset funds and sukuk funds. This Master Prospectus (Islamic Funds) outlines in general the information you need to know to make an informed decision as to which Fund best suits your financial needs. The Funds are established as a multi-class fund and currently may have more than one (1) class.

If you have any questions about the information in this Master Prospectus (Islamic Funds) or would like to know more about investing in the Principal Malaysia family of unit trust funds, please contact our Customer Care Centre under the “Corporate Directory” section during business hour between 8:45 a.m. and 5:45 p.m. (Malaysian time) from Mondays to Fridays.

Unless otherwise indicated, any reference in this Master Prospectus (Islamic Funds) 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 Master Prospectus (Islamic Funds) shall be a reference to that time, day or date in Malaysia, unless otherwise stated. Reference to “days” in this Master Prospectus (Islamic Funds) will be taken to mean calendar days unless otherwise stated.

Please note that all references to currency amounts and NAV per unit in this Master Prospectus (Islamic Funds) are in MYR unless otherwise indicated.

MASTER PROSPECTUS (ISLAMIC FUNDS) DETAILS

Issue No.	13
Prospectus Date	28 April 2023

RESPONSIBILITY STATEMENTS

This Master Prospectus (Islamic Funds) has been reviewed and approved by the directors of Principal Malaysia and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in this Master Prospectus (Islamic Funds) false or misleading.

STATEMENTS OF DISCLAIMER

The Securities Commission Malaysia has authorised the Funds and a copy of this Master Prospectus (Islamic Funds) has been registered with the Securities Commission Malaysia.

The authorisation of the Funds, and registration of this Master Prospectus (Islamic Funds), should not be taken to indicate that the Securities Commission Malaysia recommends the Funds or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Master Prospectus (Islamic Funds).

The Securities Commission Malaysia is not liable for any non-disclosure on the part of Principal Malaysia who is responsible for the Funds and takes no responsibility for the contents in this Master Prospectus (Islamic Funds). The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Master Prospectus (Islamic Funds), and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IF YOU ARE UNABLE TO MAKE YOUR OWN EVALUATION, YOU ARE ADVISED TO CONSULT PROFESSIONAL ADVISERS.

ADDITIONAL STATEMENTS

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

INVESTORS SHOULD BE AWARE THAT THE CAPITAL OF THE IOP-EO and iLI-BG WILL BE ERODED WHEN THE IOP-EO AND iLI-BG DECLARES DISTRIBUTION OUT OF CAPITAL AS THE DISTRIBUTION IS ACHIEVED BY FORGOING THE POTENTIAL FOR FUTURE CAPITAL GROWTH AND THIS CYCLE MAY CONTINUE UNTIL ALL CAPITAL IS DEPLETED.

The Funds have been certified as being Shariah-compliant by the Shariah Adviser appointed for the Funds.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Master Prospectus (Islamic Funds):

Application Fee	-	Preliminary charge on each investment.
ART	-	AmanahRaya Trustees Berhad.
BNM	-	Bank Negara Malaysia.
Business Day	-	Mondays to Fridays when Bursa Malaysia Securities Berhad is open for trading, and/or banks in Kuala Lumpur and/or Selangor are open for business. Note: We may declare certain Business Days to be a non-Business Day for a Fund, if the Fund's investment in foreign markets (if any) which are closed for business or suspended is at least 50% of the Fund's NAV.
CIMB Group	-	CIMB Group Sdn. Bhd.
DALI	-	Dana Al-Ihsan.
CIS	-	Refers to collective investment schemes.
Class	-	Any class of units representing similar interest in the assets of the Fund.
Class D	-	The Class issued by the Fund denominated in MYR and differentiated by feature such as type of eligible investors and/or transaction methods.
Class MYR	-	The Class of units issued by the Fund denominated in MYR.
CMSA	-	Capital Markets and Services Act 2007.
Deed	-	The principal deed and all supplemental deed in respect of the Funds made between us and the Trustee, in which Unit holders agree to be bound by the provisions of the Deeds.
Distributor	-	Any relevant persons and bodies appointed by Principal Malaysia from time to time, who are responsible for selling units of the Funds, including Principal Distributors and IUTAs.
Eligible Market	-	An exchange, government securities market or an over-the-counter market that is regulated by a regulatory authority of that jurisdiction, that is open to the public or to a substantial number of market participants, and on which financial instruments are regularly traded.
EPF	-	Employees Provident Fund.
EPF-MIS	-	EPF Members Investment Scheme.
ETF	-	Exchange-Traded Fund; an authorised CIS listed on the exchange.
e-Wallet App	-	Mobile application of the e-wallet that allows an individual to make electronic transaction, which includes but not limited to Touch 'n Go e-wallet.
e-Wallet Provider	-	Refers to e-money issuer approved by BNM, which includes but not limited to TNG Digital Sdn Bhd.
FBM EMAS Shariah Index	-	FTSE Bursa Malaysia EMAS Shariah Index.
FTSE	-	Financial Times Stock Exchange.
Funds	-	Refers to Principal Malaysia's fund which are segregated into three different sections: <u>SECTION 1: EQUITY FUNDS</u> Principal DALI Equity Growth Fund DALI Principal DALI Equity Fund DALI2 Principal Islamic Malaysia Opportunities Fund iOP-MO Principal DALI Asia Pacific Equity Growth Fund DALI4 Principal Islamic Enhanced Opportunities Fund iOP-EO Principal Islamic Small Cap Opportunities Fund iOP-SCO Principal Islamic Asia Pacific Dynamic Equity Fund iDY-APDE <u>SECTION 2: MIXED ASSET FUNDS</u> Principal Islamic Lifetime Balanced Fund iLI-B Principal Islamic Lifetime Balanced Growth Fund iLI-BG <u>SECTION 3: SUKUK FUNDS</u> Principal Islamic Lifetime Enhanced Sukuk Fund iLI-ES Principal Islamic Lifetime Sukuk Fund iLI-S
GDP	-	Gross Domestic Product.
GII	-	Government Investment Issues.

GUTF	-	Guidelines on Unit Trust Funds issued by the SC.
HSBCT	-	HSBC (Malaysia) Trustee Berhad.
ICE	-	ICE Data Services, Inc.
IMS	-	Investment Management Standards issued by the Federation of Investment Managers Malaysia.
Islamic Deposit	-	As per the definition of “Islamic deposit” in the Islamic Financial Services Act 2013.
IUTA	-	Refers to Institutional Unit Trust Scheme Adviser, a corporation registered with Federation of Investment Managers Malaysia and authorised to market and distribute unit trust schemes of another party.
LPD	-	Latest Practicable Date i.e. 31 December 2022, in which all information provided herein, shall remain current and relevant as at such a date.
long-term	-	Refers to a period of five (5) years or more.
MARC	-	Malaysian Rating Corporation Berhad.
Management Fee	-	A percentage of the NAV of the Class that is paid to us for managing the portfolio of the Fund.
Master Prospectus (Islamic Funds)	-	Refers to this document issued by us describing the details of the Funds.
MCR	-	Multi-class ratio, being the apportionment of the NAV of each Class over the Fund’s NAV based on the size of each Class. The MCR is calculated by dividing the NAV of the respective Class by the NAV of the Fund before income and expenses for the day. The apportionment is expressed as a ratio and calculated as a percentage.
medium-term	-	Refers to a period of more than one (1) year and less than three (3) years.
MTB	-	Maybank Trustees Berhad.
MTrustee	-	MTrustee Berhad.
MYR	-	Malaysian Ringgit.
NAV	-	Net Asset Value.
NAV of the Class	-	The NAV of the Fund attributable to a Class at the same valuation point.
NAV of the Fund	-	The value of all the Fund’s assets less the value of all the Fund’s liabilities, at the point of valuation. For the purpose of computing the annual Management Fee (if any) and annual Trustee Fee (if any), the NAV of the Fund should be inclusive of the Management Fee and Trustee Fee for the relevant day.
NAV per unit	-	The NAV attributable to a Class divided by the number of units in circulation for that Class, at the valuation point.
OTC	-	Over-the-counter.
PFG	-	Principal Financial Group, Inc..
Principal Malaysia or the Manager	-	Principal Asset Management Berhad
Principal Singapore	-	Principal Asset Management (S) Pte. Ltd.
Principal Distributors	-	Refers to the authorised unit trust scheme consultants registered with Principal Malaysia.
RAM	-	RAM Rating Services Berhad.
S&P	-	Standard & Poor’s Rating Services.
SAC	-	Shariah Advisory Council.
SC	-	Securities Commission Malaysia.
Shariah	-	Islamic law, originating from the Qur’an (the holy book of Islam), and its practices and explanations rendered by the Prophet Muhammad (pbuh) and ijtiḥad of ulamak (personal effort by qualified Shariah scholars to determine the true ruling of the divine law on matters whose revelations are not explicit).
Shariah Adviser or Amanie	-	Amanie Advisors Sdn Bhd.
short-term	-	Refers to a period of one (1) year or less.
Special Resolution	-	A resolution passed by a majority of not less than 3/4 of Unit holders voting at a meeting of Unit holders. For the purpose of terminating or winding up a fund, a Special Resolution is passed by a majority in number representing at least 3/4 of the value of the units held by Unit holders voting at the meeting.
Sub-Manager	-	A fund management company/asset management company that assumes all/or part of the investment function role of the Manager.
Sukuk	-	Refers to certificates of equal value which evidence undivided ownership or investment in the assets using Shariah principles and concepts.

Note: For local Sukuk, it must also comply with Shariah principles and concepts endorsed by the SAC of SC.

Switching Fee	-	A charge that may be levied when switching is done from one (1) fund or class to another.
Transfer Fee	-	A nominal fee levied for each transfer of units from one (1) Unit holder to another.
Trustee	-	MTrustee, ART, HSBCT, MTB and/or UTMB.
Trustee Fee	-	A percentage of the NAV of the Fund that is paid to the Trustee for its services rendered as trustee of the Fund.
UK	-	United Kingdom.
Unrated Islamic fixed income securities	-	Refers to Islamic fixed income securities which are not rated by any rating agencies, including but not limited to Islamic treasury bills, Sukuk issued by government, government agency, statutory board or a corporation. Note: In this context, Unrated Islamic fixed income securities are not junk Islamic fixed income securities. The Fund will only invest in Unrated Islamic fixed income securities that fulfil the selection criteria of our credit evaluation process.
Unrated Sukuk	-	Unrated Sukuk refers to Sukuk which are not rated by any rating agencies, including but not limited to Islamic treasury bills, Sukuk issued by government, government agency, statutory board or a corporation. Note: In this context, Unrated Sukuk are not junk Sukuk. The Fund will only invest in Unrated Sukuk that fulfils the selection criteria of our credit evaluation process.
Unit holder	-	The registered holder for the time being of a unit of the Fund including persons jointly (where permitted) so registered.
USA	-	United States of America.
UTMB	-	Universal Trustee (Malaysia) Berhad.
Withdrawal Fee	-	A charge levied upon withdrawal under certain terms and conditions (if applicable).

Note: Unless the context otherwise requires, words importing the singular number should include the plural number and vice versa.

CORPORATE DIRECTORY

The Manager

Principal Asset Management Berhad

Business address

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Jalan Semantan, Damansara Heights
50490 Kuala Lumpur MALAYSIA
Tel : (03) 2084 8888

Registered address

8th Floor Bangunan CIMB
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur MALAYSIA
Tel : (03) 2084 8888

Customer Care Centre

Ground Floor Bangunan CIMB
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Damansara Heights
50490 Kuala Lumpur MALAYSIA
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Fax : (03) 7718 3003
Whatsapp : (6016) 299 9792

Website

www.principal.com.my

E-mail

service@principal.com.my
goinvest@principal.com.my (for Class D only)

Shariah Adviser of the Funds

Amanie Advisors Sdn Bhd

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Fax : (03) 2161 0262
Email : info@amanieadvisors.com
Website : amanieadvisors.com

Registered address

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Sub-Manager for iDY-APDE, DALI2, DALI4 & iLI-B

Principal Asset Management (S) Pte. Ltd.

Business/Registered address

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SINGAPORE 048623
Tel : (65) 6390 0800

Website : www.principal.com.sg

The Trustees

Trustee for iOP-MO, DALI4, iOP-EO & iLI-S

AmanahRaya Trustees Berhad

Business address

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Tel : (03) 2036 5129
Fax : (03) 2072 0322
Email : art@arb.com.my
Website : www.artrustees.my

Registered address

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No. 2, Jalan Ampang
50508 Kuala Lumpur MALAYSIA
Tel : (03) 2055 7388

Trustee for DALI

MTrustee Berhad

Business address

15th Floor, Menara AmFirst
No. 1, Jalan 19/3
46300 Petaling Jaya Selangor MALAYSIA
Tel : (03) 7954 6862
Fax : (03) 7954 3712
Email : Mtrustee-Legal@mtrustee.com
Website : <http://mtrustee.com/>

Registered address

B-2-9, (2nd Floor), Pusat Perdagangan Kuchai
No. 2, Jalan 1/127, Off Jalan Kuchai Lama
50200 Kuala Lumpur MALAYSIA

Trustee for DALI2, iOP-SCO and iLI-B

Universal Trustee (Malaysia) Berhad

Business address

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50450 Kuala Lumpur MALAYSIA
Tel : (03) 2070 8050
Fax : (03) 2031 8715 / 2032 3194
Email : info@utmb.com.my
Website : www.universaltrustee.com.my

Registered address

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Trustee for the iLI-BG

Maybank Trustees Berhad

Business/Registered address

8th Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur MALAYSIA
Tel : (03) 2070 8833/ 2078 8363
Fax : (03) 2070 9387
Website : www.maybank2u.com.my

Trustee for iLI-ES & iDY-APDE

HSBC (Malaysia) Trustee Berhad

Business/Registered address

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55188 Tun Razak Exchange,
Kuala Lumpur, MALAYSIA.
Tel : (03) 2075 7800
Fax : (03) 8894 2611
Email : fs.client.services.myh@hsbc.com.my

Note: You may refer to our website for an updated information on our details.

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1. FUNDS INFORMATION

1.1. FUNDS DETAILS

EQUITY FUNDS

1.1.1. PRINCIPAL DALI EQUITY GROWTH FUND

Fund Category/Type	: Equity (Shariah-compliant) / Growth.
Investment Objective	: To achieve consistent capital growth over the medium to long-term. <i>We will require your approval if there is any material change to the Fund's investment objective.</i>
Benchmark	: FTSE Bursa Malaysia EMAS Shariah Index. Note: <i>The Fund's benchmark is for performance comparison purpose only. You are cautioned that the risk profile of the Fund is higher than the benchmark. Information on the benchmark can be obtained from www.bursamalaysia.com.</i>
Distribution Policy	: We have the discretion to distribute a part or all of the Class's distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Class.
Base currency	: MYR

Investment Policy and Strategy

The Fund may invest a minimum of 70% and up to a maximum of 98% of its NAV principally in Shariah-compliant equities aimed to provide growth and up to 28% of its NAV in other permissible Shariah-compliant investments, such as Sukuk with a minimum credit rating of "A3" or "P2" by RAM or equivalent rating by MARC or by local rating agency(ies) of the country of issuance; or "BBB-" by S&P or equivalent rating by any other international rating agencies. The Fund may also opt to seek investment exposure via Islamic CIS that is in line with the Fund's objective, subject to the requirements of the GUTF. In line with its objective, the investment strategy and policy of the Fund is to rebalance the portfolio to suit market conditions in order to reduce short-term volatility and provide consistency in capital growth. With effect from 28 April 2023, the Fund may invest up to 25% of its NAV in any Eligible Market globally with some operations or businesses in Malaysia to capture growth opportunities.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund's NAV will be invested in Shariah-compliant equities;
- up to 28% of the Fund's NAV in other permissible Shariah-compliant investments; and
- at least 2% of the Fund's NAV will be invested in Islamic liquid assets.

The asset allocation will be reviewed periodically depending on the country's economic and stock market outlook. In a rising market, the 98% limit may be exceeded. However, we will seek to adjust this within three (3) months from the date the limit is exceeded.

We combine a top-down asset and sector allocation process with a bottom-up stock selection process. The asset allocation decision is made after a review of macroeconomic trends in Malaysia and other global economies. In particular, we analyze the direction of GDP growth, interest rates, inflation, currencies and government policies. We will then assess their impact on corporate earnings and determine if there are any predictable trends. These trends form the basis for sector selection. Stock selection is based on the growth style of equity investing. As such, the criteria for stock selection would include improving fundamentals and growth at reasonable valuations. Stock valuation fundamentals considered are earnings per share growth rate, return on equity, price earnings ratio and net tangible assets multiples.

As part of its risk management strategy, the Fund is constructed and managed within pre-determined guidelines. We employ an active asset allocation strategy depending upon the equity market expectation. Where appropriate, we will also employ an active trading strategy with frequency that will depend on the market conditions and the market outlook.

The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:

- Regular review by the designated fund manager on the Fund's investment portfolio to maintain its liquidity level.
- Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of unitholders. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet unitholders' withdrawal requests.
- Suspension of withdrawal requests due to exceptional circumstances. During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. The action to suspend withdrawal requests from Unit holders shall be exercised only as a last resort by the Manager.

Note: Please refer to Section 3.10 for more information.

We may lower down the equity exposure when it feels that the equity market is close to its peak in term of valuations, and/or the market condition is unfavourable. In such circumstances, we may take a temporary defensive position by either (1) reducing its proportion of higher risk assets, such as Shariah-compliant equities and increase its asset allocation to lower risk assets, such as Sukuk and Islamic liquid assets, to safeguard the investment portfolio of the Fund, and/or (2) investing in Shariah-compliant stocks that have low correlation to market movements. When deemed necessary, we may also utilize Islamic derivative instruments, subject to the GUTF, for the purpose of hedging. In the event of a downgrade of a counter-party of an OTC Islamic derivative below the minimum long-term rating as per the GUTF, we reserve the right to deal with the OTC Islamic derivative in the best interest of the Unit holders.

If the Fund is an EPF-MIS approved fund, the investments made by the Fund will be subject to EPF's requirements. Please note there may be changes to the status of the Fund, you may refer to our website at www.principal.com.my or www.kwsp.gov.my for updated information.

1.1.2. PRINCIPAL DALI EQUITY FUND

Fund Category/Type	: Equity (Shariah-compliant) / Growth.
Investment Objective	: To achieve a consistent capital growth over the medium to long-term. <i>We will require your approval if there is any material change to the Fund's investment objective.</i>
Benchmark	: 70% FTSE Bursa Malaysia EMAS Shariah Index + 30% MSCI AC Asia ex Japan Islamic Index. Note: <i>The Fund's benchmark is for performance comparison purpose only. The benchmark is customised as such to align it closer to the structure of the portfolio and to reflect the composition of the portfolio in line with the markets they operate in and its objectives. You are cautioned that the risk profile of the Fund is higher than the benchmark. Information on the FTSE Bursa Malaysia EMAS Shariah Index can be obtained from www.bursamalaysia.com. Information on the MSCI AC Asia ex Japan Islamic Index can be obtained from www.msci.com/indexes. Information on the benchmark can be obtained from www.principal.com.my.</i>
Distribution Policy	: We have the discretion to distribute a part or all of the Class's distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Class.
Base currency	: MYR

Investment Policy and Strategy

The Fund is a Shariah-compliant equity growth fund and it may invest a minimum of 70% and up to a maximum of 98% of its NAV principally in Shariah-compliant equities aimed to provide growth and up to 28% of its NAV in other permissible Shariah-compliant investments, such as Sukuk with a minimum credit rating of "A3" or "P2" by RAM or equivalent rating by MARC or by local rating agency(ies) of the country of issuance; or "BBB-" by S&P or equivalent rating by any other international rating agencies. The Fund may opt to invest in foreign Shariah-compliant equities up to a maximum of 30% of its NAV. Such foreign Shariah-compliant equities may be securities of companies domiciled in, listed in and/or have significant operations in countries in the Asia Pacific ex Japan. 'Significant operations' means major businesses of the company. For example, the Fund can invest in a company with significant business and/or operations in Thailand but listed on the New York Stock Exchange. The threshold for 'significant operations' would be if more than 25% of total group revenue derives from countries in Asia Pacific ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). Notwithstanding, up to 20% of the Fund's investment in foreign Shariah-compliant equities may be from companies that are listed globally with some operations or businesses within the Asia Pacific ex Japan region to capture growth opportunities with effect from 16 August 2021. The Fund may also opt to seek investment exposure via Islamic CIS that is in line with the Fund's objective, subject to the requirements of the GUTF. In line with its objective, the investment strategy and policy of the Fund is to rebalance the portfolio to suit market conditions in order to reduce short-term volatility and provide consistency in capital growth.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund's NAV will be invested in Shariah-compliant equities;
- up to 28% of the Fund's NAV in other permissible Shariah-compliant investments; and
- at least 2% of the Fund's NAV in Islamic liquid assets.

The asset allocation will be reviewed periodically depending on the country's economic and stock market outlook. In a rising market, the 98% limit may be exceeded. However, we will seek to adjust this within three (3) months from the date the limit is exceeded.

We combine a top-down asset and sector allocation process with a bottom-up stock selection process. The asset allocation decision is made after a review of macroeconomic trends in Malaysia and other global economies. In particular, we analyze the direction of GDP growth, interest rates, inflation, currencies and government policies. We will then assess their impact on corporate earnings and determine if there are any predictable trends. These trends form the basis for sector selection. Stock selection is based on the growth style of equity investing. As such, the criteria for stock selection would include improving fundamentals and growth at reasonable valuations. Stock valuation fundamentals considered are earnings per share growth rate, return on equity, price earnings ratio and net tangible assets multiples.

The Fund may invest up to 30% of its NAV in foreign Eligible Markets. Where necessary, we will obtain the licenses/permits for investments in countries that require licenses/permits. If we are unable to obtain the necessary licenses/permits, or the licenses/permits are revoked or not renewed (as the case may be), we will seek to invest in other accessible markets. Notwithstanding the aforesaid, we may decide not to invest in foreign securities.

We have appointed Principal Singapore as the Sub-Manager for the foreign investments of the Fund. The Sub-Manager will be investing and managing these foreign investments in accordance with the investment objective and within the investment restrictions. Nevertheless, we are equally responsible for the investments of the Fund. All costs of this appointment will be borne by us to ensure no additional fee is levied on you.

As part of its risk management strategy, the Fund is constructed and managed within pre-determined guidelines. We employ an active asset allocation strategy depending upon the equity market expectation. Where appropriate, we will also employ an active trading strategy with frequency that will depend on the market conditions and the market outlook.

The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:

- Regular review by the designated fund manager on the Fund's investment portfolio to maintain its liquidity level.
- Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of unitholders. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet unitholders' withdrawal requests.
- Suspension of withdrawal requests due to exceptional circumstances. During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. The action to suspend withdrawal requests from Unit holders shall be exercised only as a last resort by the Manager.

Note: Please refer to Section 3.10 for more information.

We may lower down the equity exposure when it feels that the equity market is close to its peak in term of valuations, and/or the market condition is unfavourable. In such circumstances, we may take a temporary defensive position by either (1) reducing its proportion of higher risk assets, such as Shariah-compliant equities and increase its asset allocation to lower risk assets, such as Sukuk and Islamic liquid assets, to safeguard the investment portfolio of the Fund, and/or (2) investing in Shariah-compliant stocks that have low correlation to market movements. When deemed necessary, we may also utilize Islamic derivative instruments, subject to the GUTF, for the purpose of hedging. In the event of a downgrade of a counter-party of an OTC Islamic derivative below the minimum long-term rating as per the GUTF, we reserve the right to deal with the OTC Islamic derivative in the best interest of the Unit holders.

If the Fund is an EPF-MIS approved fund, the investments made by the Fund will be subject to EPF's requirements. Please note there may be changes to the status of the Fund, you may refer to our website at www.principal.com.my or www.kwsp.gov.my for updated information.

1.1.3. PRINCIPAL ISLAMIC MALAYSIA OPPORTUNITIES FUND

Fund Category/Type	: Equity (Shariah-compliant) / Growth.
Investment Objective	: The Fund aims to achieve consistent capital growth over the medium to long-term. <i>We will require your approval if there is any material change to the Fund's investment objective.</i>
Benchmark	: FTSE Bursa Malaysia EMAS Shariah Index. Note: <i>The Fund's benchmark is for performance comparison purpose only. You are cautioned that the risk profile of the Fund is higher than the benchmark. Information on the benchmark can be obtained from www.bursamalaysia.com.</i>
Distribution Policy	: Given its investment objective, the Class is not expected to pay any distribution. However, distribution, if any, will be incidental and will vary from period to period depending on the interest rates*, market conditions and the performance of the Class. <i>*The Fund does not invest in interest bearing instruments; the interest rate referred herein is to the general interest rate of the country as a benchmark which may affect the value of the investments of the Fund.</i>
Base currency	: MYR

Investment Policy and Strategy

The Fund seeks to achieve its objective by investing a minimum of 70% and up to 98% of its NAV in Shariah-compliant Malaysian equities. The Fund may also invest up to 30% of the Fund's NAV in other Shariah-compliant investments, such as Sukuk, and Islamic liquid assets, with at least 2% of the Fund's NAV maintained in the form of Islamic liquid assets such as Islamic money market instruments and/or Islamic Deposits for liquidity purpose. For this Fund, the investment in Sukuk must satisfy a minimum credit rating of "A3" or "P2" by RAM or equivalent rating by MARC; or "BBB-" by S&P or equivalent rating by any other international rating agencies. The Fund may also opt to seek investment exposure via Islamic CIS that is in line with the Fund's objective, subject to the requirements of the GUTF. In line with its objective, the investment strategy and policy of the Fund is to rebalance the portfolio to suit market conditions in order to reduce short-term volatility and provide consistency in capital growth.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund's NAV will be invested in Shariah-compliant Malaysian equities; and
- up to 30% of the Fund's NAV in other Shariah-compliant investments and Islamic liquid assets, with at least 2% of the Fund's NAV to be maintained in Islamic liquid assets.

The asset allocation will be reviewed periodically depending on the country's economic and stock market outlook. In a rising market, the 98% limit may be exceeded. However, we will seek to rectify this within three (3) months from the date the limit is exceeded.

We combine a top-down asset and sector allocation process with a bottom-up stock selection process. The asset allocation decision is made after a review of macroeconomic trends in Malaysia and other global economies. In particular, we analyze the direction of GDP growth, interest rates, inflation, currencies and government policies. We will then assess their impact on corporate earnings and determine if there are any predictable trends. These trends form the basis for sector selection. Stock selection is based on the growth style of equity investing. As such, the criteria for stock selection would include improving fundamentals and growth at "reasonable valuations"*. Stock valuation fundamentals considered are earnings per share growth rate, return on equity, price earnings ratio and net tangible assets multiples.

As part of its risk management strategy, the Fund is constructed and managed within pre-determined guidelines. We employ an active asset allocation strategy depending upon the equity market expectation. Where appropriate, we will also employ an active trading strategy with frequency that will depend on the market conditions and the market outlook.

The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:

- Regular review by the designated fund manager on the Fund's investment portfolio to maintain its liquidity level.
- Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of unitholders. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet unitholders' withdrawal requests.
- Suspension of withdrawal requests due to exceptional circumstances. During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. The action to suspend withdrawal requests from Unit holders shall be exercised only as a last resort by the Manager.

Note: Please refer to Section 3.10 for more information.

As this is an equity fund, it has a proportionally higher equity exposure. Thus, we are unable to take equity exposure down substantially even if it feels that the market is close to its peak. We will therefore take a defensive stance and invest in Shariah-compliant stocks that have low correlation to market movements. Notwithstanding the aforesaid, in times of adversity in equity markets and as part of its risk management strategy, we may from time to time reduce its proportion of higher risk assets, such

as Shariah-compliant equities and increase its asset allocation to lower risk assets, such as Sukuk and Islamic liquid assets, to safeguard the investment portfolio of the Fund. When deemed necessary, we may also utilize Islamic derivative instruments, subject to the GUTF, for the purpose of hedging. In the event of a downgrade of a counter-party of an OTC Islamic derivative below the minimum long-term rating as per the GUTF, we reserve the right to deal with the OTC Islamic derivative in the best interest of the Unit holders.

If the Fund is an EPF-MIS approved fund, the investments made by the Fund will be subject to EPF's requirements. Please note there may be changes to the status of the Fund, you may refer to our website at www.principal.com.my or www.kwsp.gov.my for updated information.

** We define "reasonable valuations" as below, and is not limited to the following:*

- *picking investments slightly undervalued but are still expected to have solid earnings growth in the coming years; or*
- *benchmarking individual stocks' valuation against industry average (e.g. average of last 5-years); or*
- *using valuation matrix like PEG (i.e. price-earnings to growth ratio) as an indicator.*

1.1.4. PRINCIPAL DALI ASIA PACIFIC EQUITY GROWTH FUND

Fund Category/Type	: Equity (Shariah-compliant) / Growth.
Investment Objective	: To provide investors with long-term capital growth by investing principally in equities. The Fund also seeks to outperform the benchmark. <i>We will require your approval if there is any material change to the Fund's investment objective.</i>
Benchmark	: 30% FTSE Bursa Malaysia EMAS Shariah Index + 70% MSCI AC Asia ex Japan Islamic Index. Note: <i>The Fund's benchmark is for performance comparison purpose only. The benchmark is customised as such to align it closer to the structure of the portfolio and to reflect the composition of the portfolio in line with the markets they operate in and its objectives. You are cautioned that the risk profile of the Fund is higher than the benchmark. Information on the FTSE Bursa Malaysia EMAS Shariah Index can be obtained from www.bursamalaysia.com. Information on the MSCI AC Asia ex Japan Islamic Index can be obtained from www.msci.com/indexes. Information on the benchmark can be obtained from www.principal.com.my.</i>
Distribution Policy	: We have the discretion to distribute a part or all of the Class's distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Class.
Base currency	: MYR

Investment Policy and Strategy

The Fund will invest a minimum of 70% and up to a maximum of 98% of its NAV in Shariah-compliant equities in order to gain long-term capital growth and up to 28% of its NAV in other permissible Shariah-compliant investments. The Fund may opt to invest in foreign Shariah-compliant equities up to a maximum of 70% of its NAV. Such foreign Shariah-compliant equities must be securities of companies domiciled in, listed in, and/or have significant operations in countries in Asia Pacific ex Japan. 'Significant operations' means major businesses of the company. For example, the Fund can invest in a company with significant business and/or operations in Thailand but listed on the New York Stock Exchange. The threshold for 'significant operations' would be if more than 25% of total group revenue derives from countries in Asia Pacific ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). Notwithstanding, up to 20% of the Fund's investment in foreign Shariah-compliant equities may be from companies that are listed globally with some operations or businesses within the Asia Pacific ex Japan region to capture growth opportunities with effect from 16 August 2021. The Fund may also opt to seek investment exposure via Islamic CIS that is in line with the Fund's objective, subject to the requirements of the GUTF. In addition, Islamic liquid assets may be strategically used if we feel that the market downside risk is high in the short-term. In line with its objective, the investment strategy and policy of the Fund is to have a diversified portfolio of the Shariah-compliant stocks that aims to outperform the market at different cycles of the market.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund's NAV will be invested in Shariah-compliant equities;
- up to 28% of the Fund's NAV in other permissible Shariah-compliant investments; and
- at least 2% of the Fund's NAV in Islamic liquid assets.

We will switch between sectors and stocks at different market cycles in order to outperform the benchmark. We will have higher exposure to growth stocks at the bottom of the market cycles and increase exposure in defensive stocks at the higher end of the market cycles. The asset allocation will be reviewed periodically depending on the country's economic and stock market outlook. In a rising market, the 98% limit may be exceeded. However, we will seek to adjust this within three (3) months from the date the limit is exceeded.

We combine a top-down asset and sector allocation process with a bottom-up stock selection process. The asset allocation decision is made after a review of macroeconomic trends in Malaysia and other global economies. In particular, we analyze the direction of GDP growth, interest rates, inflation, currencies and government policies. We will then assess their impact on corporate earnings and determine if there are any predictable trends. These trends form the basis for sector selection. Stock selection is based on the growth style of equity investing. As such, the criteria for stock selection would include improving fundamentals and growth at reasonable valuations. Stock valuation fundamentals considered are earnings per share growth rate, return on equity, price earnings ratio and net tangible assets multiples.

The Fund may invest up to 70% of its NAV in foreign Eligible Markets. Where necessary, we will obtain the licenses/permits for investments in countries that require licenses/permits. If we are unable to obtain the necessary licenses/permits, or the licenses/permits are revoked or not renewed (as the case may be), we will seek to invest in other accessible markets.

We have appointed Principal Singapore as the Sub-Manager for the foreign investments of the Fund. The Sub-Manager will be investing and managing these foreign investments in accordance with the investment objective and within the investment restrictions. Nevertheless, we are equally responsible for the investments of the Fund. All costs of this appointment will be borne by us to ensure no additional fee is levied on you.

As part of its risk management strategy, the Fund is constructed and managed within pre-determined guidelines. We employ an active asset allocation strategy depending upon the equity market expectation. Where appropriate, we will also employ an active trading strategy with frequency that will depend on the market conditions and the market outlook.

The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of

the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:

- Regular review by the designated fund manager on the Fund's investment portfolio to maintain its liquidity level.
- Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of unitholders. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet unitholders' withdrawal requests.
- Suspension of withdrawal requests due to exceptional circumstances. During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. The action to suspend withdrawal requests from Unit holders shall be exercised only as a last resort by the Manager.

Note: Please refer to Section 3.10 for more information.

We may lower down the equity exposure when it feels that the equity market is close to its peak in term of valuations, and/or the market condition is unfavourable. In such circumstances, we may take a temporary defensive position by either (1) reducing its proportion of higher risk assets, such as Shariah-compliant equities and increase its asset allocation to lower risk assets, such as Sukuk and Islamic liquid assets, to safeguard the investment portfolio of the Fund, and/or (2) investing in Shariah-compliant stocks that have low correlation to market movements. When deemed necessary, we may also utilize Islamic derivative instruments, subject to the GUTF, for the purpose of hedging. In the event of a downgrade of a counter-party of an OTC Islamic derivative below the minimum long-term rating as per the GUTF, we reserve the right to deal with the OTC Islamic derivative in the best interest of the Unit holders.

If the Fund is an EPF-MIS approved fund, the investments made by the Fund will be subject to EPF's requirements. Please note there may be changes to the status of the Fund, you may refer to our website at www.principal.com.my or www.kwsp.gov.my for updated information.

1.1.5. PRINCIPAL ISLAMIC ENHANCED OPPORTUNITIES FUND

Fund Category/Type	: Equity (Shariah-compliant) / Growth.
Investment Objective	: To earn reasonable returns for investors by investing in approved equities* listed on Bursa Malaysia as well as unlisted securities and other non-interest bearing assets acceptable under Shariah principles. <i>* This refers to equities classified as Shariah compliant by the SAC of SC. We will require your approval if there is any material change to the Fund's investment objective.</i>
Benchmark	: FTSE Bursa Malaysia EMAS Shariah Index. Note: The Fund's benchmark is for performance comparison purpose only. You are cautioned that the risk profile of the Fund is higher than the benchmark. Information on the benchmark can be obtained from www.bursamalaysia.com
Distribution Policy	: Distribution (if any) is expected to be distributed every January at our discretion.
Base currency	: MYR

Investment Policy and Strategy

The Fund may invest a minimum of 70% and up to a maximum of 98% of the Fund's NAV in local Shariah-compliant equities. The Fund may also invest up to 28% of its NAV in other permissible Shariah-compliant investments. As an aggressive Fund, the Fund will be managed with higher beta and tracking error. The investment policy and strategy of the Fund will be to invest in Shariah-compliant stocks which are selected based on their future growth prospects. The Fund may also opt to seek investment exposure via Islamic CIS that is in line with the Fund's objective, subject to the requirements of the GUTF. In addition, Islamic liquid assets may also be strategically used if we feel that the market downside risk is high in the short-term.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund's NAV will be invested in Shariah-compliant equities;
- up to 28% of the Fund's NAV in other permissible Shariah-compliant investments; and
- at least 2% of the Fund's NAV in Islamic liquid assets.

The asset allocation will be reviewed periodically depending on the country's economic and stock market outlook. In a rising market, the 98% limit may be exceeded. However, we will seek to adjust this within three (3) months from the date the limit is exceeded.

We combine a top-down asset and sector allocation process with a bottom-up stock selection process. The asset allocation decision is made after a review of macroeconomic trends in Malaysia and other global economies. In particular, we analyze the direction of GDP growth, interest rates, inflation, currencies and government policies. We will then assess their impact on corporate earnings and determine if there are any predictable trends. These trends form the basis for sector selection. Stock selection is based on the growth style of equity investing. As such, the criteria for stock selection would include improving fundamentals and growth at reasonable valuations. Stock valuation fundamentals considered are earnings per share growth rate, return on equity, price earnings ratio and net tangible assets multiples.

As part of its risk management strategy, the Fund is constructed and managed within pre-determined guidelines. We employ an active asset allocation strategy depending upon the equity market expectation. Where appropriate, we will also employ an active trading strategy with frequency that will depend on the market conditions and the market outlook.

The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:

- Regular review by the designated fund manager on the Fund's investment portfolio to maintain its liquidity level.
- Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of unitholders. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet unitholders' withdrawal requests.
- Suspension of withdrawal requests due to exceptional circumstances. During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. The action to suspend withdrawal requests from Unit holders shall be exercised only as a last resort by the Manager.

Note: Please refer to Section 3.10 for more information.

We may lower down the equity exposure when it feels that the equity market is close to its peak in term of valuations, and/or the market condition is unfavourable. In such circumstances, we may take a temporary defensive position by either (1) reducing its proportion of higher risk assets, such as Shariah-compliant equities and increase its asset allocation to lower risk assets, such as Sukuk and Islamic liquid assets, to safeguard the investment portfolio of the Fund, and/or (2) investing in Shariah-compliant stocks that have low correlation to market movements. When deemed necessary, we may also utilize Islamic derivative instruments, subject to the GUTF, for the purpose of hedging. In the event of a downgrade of a counter-party of an OTC Islamic derivative below the minimum long-term rating as per the GUTF, we reserve the right to deal with the OTC Islamic derivative in the best interest of the Unit holders.

If the Fund is an EPF-MIS approved fund, the investments made by the Fund will be subject to EPF's requirements. Please note there may be changes to the status of the Fund, you may refer to our website at www.principal.com.my or www.kwsp.gov.my for updated information.

1.1.6. PRINCIPAL ISLAMIC SMALL CAP OPPORTUNITIES FUND

Fund Category/Type	: Equity (small cap) (Shariah-compliant) / Growth.
Investment Objective	: To seek medium to long-term growth in capital by investing principally in emerging companies listed on Bursa Securities and this must be in accordance with the Shariah principles. <i>We will require your approval if there is any material change to the Fund's investment objective.</i>
Benchmark	: FTSE Bursa Malaysia Small Cap Shariah Index Note: <i>The Fund's benchmark is for performance comparison purpose only. You are cautioned that the risk profile of the Fund is higher than the benchmark. Information on the benchmark can be obtained from www.bursamalaysia.com</i>
Distribution Policy	: We have the discretion to distribute a part or all of the Class's distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Class.
Base currency	: MYR

Investment Policy and Strategy

The Fund may invest a minimum of 70% and up to a maximum of 98% of the Fund's NAV in Shariah-compliant stocks of emerging companies*. The investment policy and strategy of the Fund will therefore focus on investments in Shariah-compliant instruments of such emerging companies* with potential growth and hands-on management policies but may be lacking in track records. The Fund may also invest up to 28% of its NAV in other permissible Shariah-compliant investments such as Islamic fixed income securities for the purpose of cash management. The Fund may also opt to seek investment exposure via Islamic CIS that is in line with the Fund's objective, subject to the requirements of the GUTF. In addition, Islamic liquid assets may be strategically used if we feel that the market downside risk is high in the short-term. With effect from 28 April 2023, the Fund may invest up to 25% of its NAV in emerging companies* that are listed in any Eligible Markets globally with some operations or businesses in Malaysia to capture growth opportunities.

Before 28 April 2023,

**Emerging companies in this context refers to companies that are listed on Bursa Malaysia with market capitalization of up to three (3) billion MYR at the point of purchase. However, should there be lack of liquidity or when we deem necessary to reduce volatility of the Fund, the Fund may invest up to 20% of its NAV in companies with market capitalization above three (3) billion MYR at the point of purchase.*

With effect from 28 April 2023,

**Emerging companies in this context referring to the following:*

*(a) companies with market capitalization of up to five (5) billion MYR at the point of purchase; or
(b) stocks of companies which form the bottom 15% of the cumulative market capitalisation of the market which the Shariah-compliant stock is listed on at the point of purchase.*

However, the Fund may invest up to 20% of its NAV in companies with market capitalization above five (5) billion MYR at the point of purchase.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund's NAV will be invested in Shariah-compliant equities;
- up to 28% of the Fund's NAV in other permissible Shariah-compliant investments; and
- at least 2% of the Fund's NAV in Islamic liquid assets.

The asset allocation will be reviewed periodically depending on the country's economic and stock market outlook. In a rising market, the 98% limit may be exceeded. However, we will seek to adjust this within three (3) months from the date the limit is exceeded.

We combine a top-down asset and sector allocation process with a bottom-up stock selection process. The asset allocation decision is made after a review of macroeconomic trends in Malaysia and other global economies. In particular, we analyze the direction of GDP growth, interest rates, inflation, currencies and government policies. We will then assess their impact on corporate earnings and determine if there are any predictable trends. These trends form the basis for sector selection. Stock selection is based on the growth style of equity investing. As such, the criteria for stock selection would include improving fundamentals and growth at reasonable valuations. Stock valuation fundamentals considered are earnings per share growth rate, return on equity, price earnings ratio and net tangible assets multiples.

As Shariah-compliant small cap stocks tend to be under-researched, we will depend upon proprietary research and selected research from brokers. In particular, stock selection will depend upon the growth potential of the company and its industry, management quality, franchise value and corporate governance considerations. The key strategy is to invest in Shariah-compliant companies that are trading below their intrinsic values and selling them when the share price has passed their intrinsic values.

As part of its risk management strategy, the Fund is constructed and managed within pre-determined guidelines. We employ an active asset allocation strategy depending upon the equity market expectation. Where appropriate, we will also employ an active trading strategy with frequency that will depend on the market conditions and market outlook.

The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of

the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:

- Regular review by the designated fund manager on the Fund's investment portfolio to maintain its liquidity level.
- Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of unitholders. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet unitholders' withdrawal requests.
- Suspension of withdrawal requests due to exceptional circumstances. During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. The action to suspend withdrawal requests from Unit holders shall be exercised only as a last resort by the Manager.

Note: Please refer to Section 3.10 for more information.

We may lower down the equity exposure when it feels that the equity market is close to its peak in term of valuations, and/or the market condition is unfavourable. In such circumstances, we may take a temporary defensive position by either (1) reducing its proportion of higher risk assets, such as Shariah-compliant equities and increase its asset allocation to lower risk assets, such as Sukuk and Islamic liquid assets, to safeguard the investment portfolio of the Fund, and/or (2) investing in Shariah-compliant stocks that have low correlation to market movements. When deemed necessary, we may also utilize Islamic derivative instruments, subject to the GUTF, for the purpose of hedging. In the event of a downgrade of a counter-party of an OTC Islamic derivative below the minimum long-term rating as per the GUTF, we reserve the right to deal with the OTC Islamic derivative in the best interest of the Unit holders.

If the Fund is an EPF-MIS approved fund, the investments made by the Fund will be subject to EPF's requirements. Please note there may be changes to the status of the Fund, you may refer to our website at www.principal.com.my or www.kwsp.gov.my for updated information.

1.1.7. PRINCIPAL ISLAMIC ASIA PACIFIC DYNAMIC EQUITY FUND

Fund Category/Type	: Equity (Shariah-compliant) / Growth.
Investment Objective	: Aims to achieve long-term capital appreciation and income while complying with Shariah investment criteria, through investments in the emerging and developed markets of Asia Pacific ex Japan region. <i>We will require your approval if there is any material change to the Fund's investment objective.</i>
Benchmark	: MSCI AC Asia ex Japan Islamic Index. Note: <i>The Fund's benchmark is for performance comparison purpose only. You are cautioned that the risk profile of the Fund is higher than the benchmark. Information on the benchmark can be obtained from www.msci.com/indexes.</i>
Distribution Policy	: For Class MYR and Class D Regular distributions are not the focus of this fund. Distributions, if any, are at our discretion.
Base currency	: MYR

Investment Policy and Strategy

The Fund is predominantly an equity fund which invests through securities of companies domiciled in, listed in, and/or have significant operations in the emerging and developed markets of Asia Pacific ex Japan. 'Significant operations' means major businesses of the company. For example, the Fund can invest in a company with significant business and/or operations in Thailand but listed on the New York Stock Exchange. The threshold for 'significant operations' would be if more than 25% of total group revenue derives from countries in the emerging and developed markets of Asia Pacific ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). With effect from 16 August 2021, The Fund may also invest up to 20% of its NAV in companies that are listed globally with some operations and/or businesses within the Asia Pacific ex Japan region to capture growth opportunities. Between 70% to 98% (both inclusive) of the Fund's NAV can be invested in Shariah-compliant equities, Shariah-compliant warrants, Islamic options, participation in Islamic CIS which are permitted under the GUTF. Up to 30% of the Fund may also invest into Sukuk and Islamic Deposits. For this Fund, the investments in Sukuk must satisfy a minimum rating requirement of at least a "BBB3" or "P2" rating by RAM or equivalent rating by MARC or by local rating agency(ies) of the country of issuance; or "BB" by S&P or equivalent rating by any other international rating agencies.

The asset allocation strategy for this Fund is as follows:

- at least 70% of the Fund's NAV will be invested in Shariah-compliant equities;
- up to 30% of the Fund's NAV in Sukuk and Islamic Deposits; and
- at least 2% of the Fund's NAV in Islamic liquid assets.

We have appointed Principal Singapore as the Sub-Manager for the foreign investments of the Fund. The Sub-Manager will be investing and managing these foreign investments in accordance with the investment objective and within the investment restrictions. Nevertheless, we are equally responsible for the investments of the Fund. All costs of this appointment will be borne by us to ensure no additional fee is levied on you.

We and/or the Sub-Manager will adopt an active investment strategy. The countries and securities invested in this Fund will undergo a rigorous research exercise before they are included in the respective portfolios. Even though the combination of both bottom-up and top-down investment approaches ultimately drive the process, we believe long-term investment performance can be achieved by employing a rigorous research process that enables us to identify companies that generate superior returns as well as by identifying companies that are undervalued.

Fundamental and valuation analysis (bottom-up) forms an integral part of our research effort. Key elements of this include:

- fundamental evaluation;
- valuation analysis; and
- financial models.

In addition, company visits, meetings with management and participation in conference calls are important to our research effort. In the stock screening process, we will actively screen reasonable number of equities from a larger universe. The top-down assessment of the markets and asset allocation involves a detailed quarterly review of market conditions and risk adjusted expectations across asset classes and regions in order to establish internal targeted allocations for the various portfolios. We may invest the assets of the Fund, from time to time, in any industry or sector, which in its opinion offers good growth opportunity and investment value provided that the investments are within the investment objective of this Fund.

As part of its risk management strategy, the Fund is constructed and managed within pre-determined guidelines. We employ an active asset allocation strategy depending upon the equity market expectations. Where appropriate, we will also employ an active trading strategy with frequency that will depend on the market conditions and the market outlook.

The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:

- Regular review by the designated fund manager on the Fund's investment portfolio to maintain its liquidity level.
- Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of unitholders. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet unitholders' withdrawal requests.
- Suspension of withdrawal requests due to exceptional circumstances. During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. The action to suspend withdrawal requests from Unit holders shall be exercised only as a last resort by the Manager.

Note: Please refer to Section 3.10 for more information.

In response to adverse conditions and as part of its risk management strategy, we may from time to time reduce its proportion of higher risk assets, such as equities and increase its asset allocation to lower risk assets, such as Sukuk and Islamic liquid assets, to safeguard the investment portfolio of the Fund provided that such investments conform to the Shariah principles. When deemed necessary, we may also utilize Islamic derivative instruments, subject to the GUTF, for the purpose of hedging. In the event of a downgrade of a counter-party of an OTC Islamic derivative below the minimum long-term rating as per the GUTF, we reserve the right to deal with the OTC Islamic derivative in the best interest of the Unit holders.

If the Fund is an EPF-MIS approved fund, the investments made by the Fund will be subject to EPF's requirements. Please note there may be changes to the status of the Fund, you may refer to our website at www.principal.com.my or www.kwsp.gov.my for updated information.

MIXED ASSET FUNDS

1.1.8. PRINCIPAL ISLAMIC LIFETIME BALANCED FUND

Fund Category/Type	: Balanced (Shariah-compliant) / Growth & Income.
Investment Objective	: To achieve medium to long-term growth in both capital and income by investing in permissible Shariah-compliant investments. We will require your approval if there is any material change to the Fund's investment objective.
Benchmark	: 30% FTSE Bursa Malaysia EMAS Shariah Index + 30% MSCI AC Asia ex Japan Islamic Index + 40% CIMB Islamic 1-month Fixed Return Income Account-i (FRIA-i). Note: <i>The Fund's benchmark is for performance comparison purpose only. The benchmark is customised as such to align it closer to the structure of the portfolio and the objective of the Fund. You are cautioned that the risk profile of the Fund is higher than the benchmark. Information on FTSE Bursa Malaysia EMAS Shariah Index can be obtained from www.bursamalaysia.com. Information on MSCI AC Asia ex Japan Islamic Index can be obtained from www.msci.com/indexes. Information on CIMB Islamic 1-month FRIA-i can be obtained from www.cimbislamic.com. Information on the benchmark can be obtained from www.principal.com.my.</i>
Distribution Policy	: We have the discretion to distribute a part or all of the Class's distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Class.
Base currency	: MYR

Investment Policy and Strategy

The Fund aims to invest in a diversified portfolio of Shariah-compliant equities and Islamic fixed income securities. In line with its objective, the investment policy and strategy will be to maintain a balanced portfolio between Shariah-compliant equities and Islamic fixed income securities in the ratio of 60:40. The fixed income portion of the Fund is to provide some capital stability to the Fund whilst the equity portion will provide the added return in a rising market. The investments by the Fund in Shariah-compliant equities shall not exceed 60% of the NAV of the Fund and investments in Islamic fixed income securities and Islamic liquid assets shall not be less than 40% of the NAV of the Fund with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC or by local rating agency(ies) of the country of issuance; or "BBB-" by S&P or equivalent rating by any other international rating agencies. The Fund may invest up to 40% of its NAV in Unrated Islamic fixed income securities. The Fund may opt to invest in foreign Shariah-compliant equities up to a maximum of 30% of its NAV. Such foreign Shariah-compliant equities may be of securities of companies domiciled in, listed in, and/or have significant operations in countries in Asia Pacific ex Japan. 'Significant operations' means major businesses of the company. For example, the Fund can invest in a company with significant business and/or operations in Thailand but listed on the New York Stock Exchange. The threshold for 'significant operations' would be if more than 25% of total group revenue derives from countries in Asia Pacific ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). Notwithstanding, up to 20% of the Fund's investment in foreign Shariah-compliant equities may be from companies that are listed globally with some operations or businesses within the Asia Pacific ex Japan region to capture growth opportunities with effect from 16 August 2021. The Fund may also opt to seek investment exposure via Islamic CIS that is in line with the Fund's objective, subject to the requirements of the GUTF.

The asset allocation strategy for this Fund is as follows:

- the Shariah-compliant equities will not exceed 60% of the NAV of the Fund, subject to a minimum of 40%;
- investments in Islamic fixed income securities and Islamic liquid assets shall not be less than 40% of the NAV of the Fund, subject to a maximum of 60%;
- up to 40% of the Fund's NAV in Unrated Islamic fixed income securities; and
- at least 2% of the Fund's NAV in Islamic liquid assets.

The asset allocation will be reviewed periodically depending on the country's economy and stocks market outlook. In a rising market, the 60% limit may be exceeded. However, we will seek to adjust this within three (3) months from the date the limit is exceeded.

We will adopt an active trading strategy with frequency that will depend on the market conditions and market outlook. For the equities portion, we combine a top-down asset and sector allocation process with a bottom-up stock selection process. The asset allocation decision is made after a review of macroeconomic trends in Malaysia and other global economies. In particular, we analyze the direction of GDP growth, interest rates, inflation, currencies and government policies. We will then assess their impact on corporate earnings and determine if there are any predictable trends. These trends form the basis for sector selection. Stock selection is based on the growth style of equity investing. As such, the criteria for stock selection would include improving fundamentals and growth at reasonable valuations. Stock valuation fundamentals considered are earnings per share growth rate, return on equity, price earnings ratio and net tangible assets multiples.

As for the fixed income portion, we formulate an interest rate outlook by considering factors such as the Malaysian inflation rate, monetary policies and economic growth. With an interest rate outlook and yield curve analysis, we identify the weighting of the investment tenor and credit for the Fund. In the unlikely event of a credit rating downgrade, we reserve the right to deal with the security in the best interest of the Unit holders. As an active fund manager, we have in place flexible tolerance limits to cater to

such situations. We can for example, continue to hold the downgraded security if the immediate disposal of the security would not be in the best interest of the Unit holders.

The Fund may invest up to 30% of its NAV in foreign Eligible Markets. Where necessary, we will obtain the licenses/permits for investments in countries that require licenses/permits. If we are unable to obtain the necessary licenses/permits, or the licenses/permits are revoked or not renewed (as the case may be), we will seek to invest in other accessible markets. Notwithstanding the aforesaid, we may decide not to invest in foreign securities.

We have appointed Principal Singapore as the Sub-Manager for the foreign investments of the Fund. The Sub-Manager will be investing and managing these foreign investments in accordance with the investment objective and within the investment restrictions. Nevertheless, we are equally responsible for the investments of the Fund. All costs of this appointment will be borne by us to ensure no additional fee is levied on you.

As part of its risk management strategy, the Fund is constructed and managed within pre-determined guidelines. Essentially, we employ an active asset allocation strategy depending upon the equity market expectation, and at the same time monitors the Islamic fixed income securities portfolio according to three (3) parameters: tenure, credit ratings and sector. The duration of the Islamic fixed income securities portfolio is also monitored and modified according to our interest rate outlook (i.e. the sensitivity of the portfolio to interest rate changes).

The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:

- Regular review by the designated fund manager on the Fund's investment portfolio to maintain its liquidity level.
- Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of unitholders. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet unitholders' withdrawal requests.
- Suspension of withdrawal requests due to exceptional circumstances. During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. The action to suspend withdrawal requests from Unit holders shall be exercised only as a last resort by the Manager.

Note: Please refer to Section 3.10 for more information.

In response to adverse conditions and as part of its risk management strategy, we may from time to time reduce its proportion of higher risk assets, such as Shariah-compliant equities and increase its asset allocation to lower risk assets, such as Islamic fixed income securities and Islamic liquid assets, to safeguard the investment portfolio of the Fund. Additionally, for investments in debt markets, we may reduce holdings in long tenured assets and channel these moneys into short-term Islamic Deposits. When deemed necessary, we may also utilize Islamic derivative instruments, subject to the GUTF, for the purpose of hedging. In the event of a downgrade of a counter-party of an OTC Islamic derivative below the minimum long-term rating as per the GUTF, we reserve the right to deal with the OTC Islamic derivative in the best interest of the Unit holders.

If the Fund is an EPF-MIS approved fund, the investments made by the Fund will be subject to EPF's requirements. Please note there may be changes to the status of the Fund, you may refer to our website at www.principal.com.my or www.kwsp.gov.my for updated information.

1.1.9. PRINCIPAL ISLAMIC LIFETIME BALANCED GROWTH FUND

Fund Category/Type	: Balanced (Shariah-compliant) / Growth & Income.
Investment Objective	: To grow the value of the Unit holders' investments over the long-term in a diversified mix of Malaysian assets in approved Shariah instruments* while providing consistent income. <i>* This refers to instruments that are certified as Shariah-compliant by the relevant authority. We will require your approval if there is any material change to the Fund's investment objective.</i>
Benchmark	: 60% FBM EMAS Shariah Index + 40% CIMB Islamic 1-month Fixed Return Income Account-i (FRIA-i) Note: The Fund's benchmark is for performance comparison purpose only. The benchmark is customised as such to align it closer to the structure of the portfolio and the objective of the Fund. You are cautioned that the risk profile of the Fund is higher than the benchmark. Information on the FBM EMAS Shariah Index can be obtained from www.bursamalaysia.com . Information on the CIMB Islamic 1-month FRIA-i can be obtained from the www.cimbislamic.com . Information on the benchmark can be obtained from www.principal.com.my .
Distribution Policy	: Distribution (if any) is expected to be distributed every January at our discretion.
Base currency	: MYR

Investment Policy and Strategy

The Fund aims to invest in a diversified portfolio of Malaysian assets comprising Shariah-compliant equities and Islamic fixed income securities. In line with its objective, the investment policy and strategy of the Fund is to maintain a balanced portfolio between Shariah-compliant equities and Islamic fixed income securities in the ratio of 60:40. The fixed income portion of the Fund is to provide some capital stability to the Fund whilst the equity portion will provide the added return in a rising market. The investment by the Fund in Shariah-compliant equities shall not be less than 40% of the NAV of the Fund and investments in Islamic fixed income securities and Islamic liquid assets shall not exceed 60% of the NAV of the Fund with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC or by local rating agency(ies) of the country of issuance; or "BBB-" by S&P or equivalent rating by any other international rating agencies. The Fund may invest up to 40% of its NAV in Unrated Islamic fixed income securities. The Fund may also opt to seek investment exposure via Islamic CIS that is in line with the Fund's objective, subject to the requirements of the GUTF. With effect from 28 April 2023, the Fund may invest up to 25% of its NAV in companies that are listed in any Eligible Market globally with some operations or businesses in Malaysia to capture growth opportunities.

The asset allocation strategy for this Fund is as follows:

- at least 40% of the Fund's NAV in Shariah-compliant equities, subject to a maximum of 60%;
- up to a maximum of 60% of the Fund's NAV in Islamic fixed income securities and Islamic liquid assets, subject to a minimum of 40%;
- up to 40% of the Fund's NAV in Unrated Islamic fixed income securities; and
- at least 2% of the Fund's NAV in Islamic liquid assets.

The asset allocation will be reviewed periodically depending on the country's economy and stocks market outlook. In a rising market, the 60% limit may be exceeded. However, we will seek to adjust this within three (3) months from the date the limit is exceeded. We will adopt an active trading strategy with frequency that will depend on the market conditions and market outlook.

For the equities portion, we combine a top-down asset and sector allocation process with a bottom-up stock selection process. The asset allocation decision is made after a review of macroeconomic trends in Malaysia and other global economies. In particular, we analyze the direction of GDP growth, interest rates, inflation, currencies and government policies. We will then assess their impact on corporate earnings and determine if there are any predictable trends. These trends form the basis for sector selection. Stock selection is based on the growth style of equity investing. As such, the criteria for stock selection would include improving fundamentals and growth at reasonable valuations. Stock valuation fundamentals considered are earnings per share growth rate, return on equity, price earnings ratio and net tangible assets multiples.

As for the fixed income portion, we formulate an interest rate outlook by considering factors such as the Malaysian inflation rate, monetary policies and economic growth. With an interest rate outlook and yield curve analysis, we identify the weighting of the investment tenor and credit for the Fund. In the unlikely event of a credit rating downgrade, we reserve the right to deal with the security in the best interest of the Unit holders. As an active fund manager, we have in place flexible tolerance limits to cater to such situations. We can for example, continue to hold the downgraded security if the immediate disposal of the security would not be in the best interest of the Unit holders.

As part of its risk management strategy, the Fund is constructed and managed within pre-determined guidelines. Essentially, we employ an active asset allocation strategy depending upon the equity market expectation, and at the same time monitors the Islamic fixed income securities portfolio according to three (3) parameters: tenure, credit ratings and sector. The duration of the Islamic fixed income securities portfolio is also monitored and modified according to our interest rate outlook (i.e. the sensitivity of the portfolio to interest rate changes).

The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:

- Regular review by the designated fund manager on the Fund's investment portfolio to maintain its liquidity level.

- Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of unitholders. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet unitholders' withdrawal requests.
- Suspension of withdrawal requests due to exceptional circumstances. During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. The action to suspend withdrawal requests from Unit holders shall be exercised only as a last resort by the Manager.

Note: Please refer to Section 3.10 for more information.

In response to adverse conditions and as part of its risk management strategy, we may from time to time reduce its proportion of higher risk assets, such as Shariah-compliant equities and increase its asset allocation to lower risk assets, such as Islamic fixed income securities and Islamic liquid assets, to safeguard the investment portfolio of the Fund. Additionally, for investments in debt markets, we may reduce holdings in long tenured assets and channel these moneys into short-term Islamic Deposits. When deemed necessary, we may also utilize Islamic derivative instruments, subject to the GUTF, for the purpose of hedging. In the event of a downgrade of a counter-party of an OTC Islamic derivative below the minimum long-term rating as per the GUTF, we reserve the right to deal with the OTC Islamic derivative in the best interest of the Unit holders.

If the Fund is an EPF-MIS approved fund, the investments made by the Fund will be subject to EPF's requirements. Please note there may be changes to the status of the Fund, you may refer to our website at www.principal.com.my or www.kwsp.gov.my for updated information.

SUKUK FUNDS

1.1.10. PRINCIPAL ISLAMIC LIFETIME ENHANCED SUKUK FUND

Fund Category/Type	: Sukuk / Income.
Investment Objective	: To grow the value of Unit holders' investments over the medium-term in Sukuk portfolio with most tenures ranging from 3-10 years as well as to provide regular income. <i>We will require your approval if there is any material change to the Fund's investment objective.</i>
Benchmark	: 85% CIMB Islamic 1-month Fixed Return Income Account-i (FRIA-i) + 15% FBM EMAS Shariah Index Note: <i>The Fund's benchmark is for performance comparison purpose only. The benchmark is customised as such to align it closer to the structure of the portfolio and the objective of the Fund. You are cautioned that the risk profile of the Fund is higher than the benchmark. Information on the CIMB Islamic 1-Month FRIA-i can be obtained from www.cimbislamic.com. Information on the FBM EMAS Shariah Index can be obtained from www.bursamalaysia.com. Information on the benchmark can be obtained from www.principal.com.my.</i>
Distribution Policy	: For Class MYR and Class D Distribution (if any) is expected to be distributed annually at our discretion.
Base currency	: MYR

Investment Policy and Strategy

A minimum of 70% and up to a maximum of 98% of the Fund's NAV may be invested in Sukuk carrying at least a "BBB3" or "P2" rating by RAM or equivalent rating by MARC or by local rating agency(ies) of the country of issuance; or "BBB-" by S&P or equivalent rating by any other international rating agencies. The Fund may invest up to 40% of its NAV in Unrated Sukuk. The Fund may also invest between 0% to 20% (both inclusive) of its NAV in Shariah-compliant equities, of which up to 10% of its NAV may be invested in Shariah-compliant warrants of Shariah-compliant companies. The investment strategy and policy of the Fund is biased towards Islamic fixed income securities that aim to provide consistency in income, while allowing some exposure in Shariah-compliant equities and Shariah-compliant warrants that aim to provide the added return in a rising market. The Fund may also opt to seek investment exposure via Islamic CIS that is in line with the Fund's objective, subject to the requirements of the GUTF.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund's NAV in Sukuk;
- up to 40% of the Fund's NAV in Unrated Sukuk;
- between 0% to 20% (both inclusive) of the Fund's NAV in Shariah-compliant equities, of which up to 10% may be invested in Shariah-compliant warrants; and
- at least 2% of the Fund's NAV in Islamic liquid assets.

In a rising market, the limit may be exceeded. However, we will seek to adjust this within three (3) months from the date the limit is exceeded. We will adopt an active trading strategy with frequency that will depend on the market conditions and market outlook.

For the fixed income portion, we formulate an interest rate outlook by considering factors such as the Malaysian inflation rate, monetary policies and economic growth. With an interest rate outlook and yield curve analysis, we identify the weighting of the investment tenor and credit for the Fund. In the unlikely event of a credit rating downgrade, we reserve the right to deal with the security in the best interest of the Unit holders. As an active fund manager, we have in place flexible tolerance limits to cater to such situations. We can for example, continue to hold the downgraded security if the immediate disposal of the security would not be in the best interest of the Unit holders.

As for the equities portion, we combine a top-down asset and sector allocation process with a bottom-up stock selection process. The asset allocation decision is made after a review of macroeconomic trends in Malaysia and other global economies. In particular, we analyze the direction of GDP growth, interest rates, inflation, currencies and government policies. We will then assess their impact on corporate earnings and determine if there are any predictable trends. These trends form the basis for sector selection. Stock selection is based on the growth style of equity investing. As such, the criteria for stock selection would include improving fundamentals and growth at reasonable valuations. Stock valuation fundamentals considered are earnings per share growth rate, return on equity, price earnings ratio and net tangible assets multiples.

The Fund may invest up to 30% of its NAV in foreign Eligible Markets. Where necessary, we will obtain the licenses/permits for investments in countries that require licenses/permits. If we are unable to obtain the necessary licenses/permits, or the licenses/permits are revoked or not renewed (as the case may be), we will seek to invest in other accessible markets. Notwithstanding the aforesaid, we may decide not to invest in foreign securities.

As part of its risk management strategy, the Fund is constructed and managed within pre-determined guidelines. Essentially, we employ an active asset allocation strategy depending upon the equity market expectations and at the same time monitors the sukuk portfolio according to three (3) parameters: tenure, credit ratings and sector. The duration of the sukuk portfolio is also monitored and modified according to our interest rate outlook (i.e. the sensitivity of the portfolio to interest rate changes).

The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:

- Regular review by the designated fund manager on the Fund's investment portfolio to maintain its liquidity level.
- Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of unitholders. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet unitholders' withdrawal requests.
- Suspension of withdrawal requests due to exceptional circumstances. During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. The action to suspend withdrawal requests from Unit holders shall be exercised only as a last resort by the Manager.

Note: Please refer to Section 3.10 for more information.

In response to adverse conditions and as part of its risk management strategy, we may from time to time reduce its proportion of higher risk assets, such as Shariah-compliant equities and increase its asset allocation to lower risk assets, such as Islamic liquid assets, to safeguard the investment portfolio of the Fund. Additionally, for investments in Sukuk, we may reduce holdings in long tenured assets and channel these moneys into short-term Islamic Deposits. When deemed necessary, we may also utilize Islamic derivative instruments, subject to the GUTF, for the purpose of hedging. In the event of a downgrade of a counter-party of an OTC Islamic derivative below the minimum long-term rating as per the GUTF, we reserve the right to deal with the OTC Islamic derivative in the best interest of the Unit holders.

If the Fund is an EPF-MIS approved fund, the investments made by the Fund will be subject to EPF's requirements. Please note there may be changes to the status of the Fund, you may refer to our website at www.principal.com.my or www.kwsp.gov.my for updated information.

1.1.11. PRINCIPAL ISLAMIC LIFETIME SUKUK FUND

Fund Category/Type	: Sukuk / Income.
Investment Objective	: To gain higher than average income over the medium to long-term by investing in a diversified portfolio consisting principally of Sukuk, certificates of deposit*, short-term money market instruments* and other permissible investments under the Shariah principles. <i>* This refers to instruments that are certified as Shariah-compliant by the relevant authority. We will require your approval if there is any material change to the Fund's investment objective.</i>
Benchmark	: Quantshop GII Medium Index. Note: The Fund's benchmark is for performance comparison purpose only. You are cautioned that the risk profile of the Fund is higher than the benchmark. Information on the benchmark can be obtained from www.quantshop.com .
Distribution Policy	: Distribution (if any) is expected to be distributed annually, depending on the performance of the Class and at our discretion.
Base currency	: MYR

Investment Policy and Strategy

In line with its objective, the investment strategy and policy of the Fund is to invest in a diversified portfolio of Islamic fixed income securities consisting principally of Sukuk, which aim to provide a steady stream of income from the profit of Sukuk. A minimum of 70% and up to a maximum of 98% of the Fund's NAV may be invested in Sukuk carrying at least a "BBB3" or "P2" rating by RAM or equivalent rating by MARC or by local rating agency(ies) of the country of issuance; or "BBB-" by S&P or equivalent rating by any other international rating agencies. The Fund may invest up to 40% of its NAV in Unrated Sukuk and up to 28% of its NAV in other permissible Shariah-compliant investments. The Fund may also opt to seek investment exposure via Islamic CIS that is in line with the Fund's objective, subject to the requirements of the GUTF. The rest of the Fund is maintained in the form of Islamic liquid assets to meet any withdrawal payments to Unit holders.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund's NAV in Sukuk;
- up to 28% of the Fund's NAV in other permissible Shariah-compliant investments;
- up to 40% of the Fund's NAV in Unrated Sukuk; and
- at least 2% of the Fund's NAV in Islamic liquid assets.

We will adopt an active trading strategy with frequency that will depend on the market conditions and market outlook. We formulate an interest rate outlook through examining factors such as the Malaysian inflation rate, monetary policies and economic growth. With an interest rate outlook and yield curve analysis, we identify the weighting of the investment tenor and credit for the Fund.

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

The Fund may invest up to 30% of its NAV in foreign Eligible Markets. Where necessary, we will obtain the licenses/permits for investments in countries that require licenses/permits. If we are unable to obtain the necessary licenses/permits, or the licenses/permits are revoked or not renewed (as the case may be), we will seek to invest in other accessible markets. Notwithstanding the aforesaid, we may decide not to invest in foreign securities.

As part of its risk management strategy, the Fund is constructed and managed within pre-determined guidelines. Essentially, we monitor the Sukuk portfolio according to three (3) parameters: tenure, credit ratings and sector. The duration of the Sukuk portfolio is also monitored and modified according to our interest rate outlook (i.e. the sensitivity of the portfolio to interest rate changes).

The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:

- Regular review by the designated fund manager on the Fund's investment portfolio to maintain its liquidity level.
- Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of unitholders. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet unitholders' withdrawal requests.
- Suspension of withdrawal requests due to exceptional circumstances. During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. The action to suspend withdrawal requests from Unit holders shall be exercised only as a last resort by the Manager.

Note: Please refer to Section 3.10 for more information.

In response to adverse conditions and as part of its risk management strategy, we may reduce holdings in long tenured assets and channel these moneys into short-term Islamic Deposits. We may also from time to time invest in Islamic liquid assets to safeguard the investment portfolio of the Fund. When deemed necessary we may also utilize Islamic derivative instruments, subject to the GUTF, for the purpose of hedging. In the event of a downgrade of a counter-party of an OTC Islamic derivative below the minimum long-term rating as per the GUTF, we reserve the right to deal with the OTC Islamic derivative in the best interest of the Unit holders.

If the Fund is an EPF-MIS approved fund, the investments made by the Fund will be subject to EPF's requirements. Please note there may be changes to the status of the Fund, you may refer to our website at **www.principal.com.my** or **www.kwsp.gov.my** for updated information.

1.2. CLASSES OF THE FUNDS

1.2.1. Multi-class structure

Please note that the Funds are established as a multi-class fund where the relevant Deeds allows for the establishment of more than one (1) Class with similar interests in the assets of the Funds. You should note that the Funds are allowed to establish new Class(es) from time to time without your prior consent. Under the relevant Deeds, Unit holders of each Class shall have the same rights and obligations. Each Class may be different in terms of currency denomination, fees and charges, distribution policy and hence, will have its respective NAV per unit, denominated in its respective currency taking into account the aforementioned features. Although each of the Fund may have multiple Classes, Unit holders should note that the assets of the Funds are pooled for investment purpose.

You should note that we have the discretion to decide on the offering of other Class(es) for sale in the future. This information will be communicated to you via our website at www.principal.com.my. You should consult your professional advisers for a better understanding of the multi-class structure before investing in the Funds.

1.2.2. Launch date, Initial Offer Period & Initial Offer Price per Unit

Currently, the Classes below are available for sale.

Funds	Name of Class	Launch date	Initial offer period	Initial offer price per unit
Equity Funds				
Principal DALI Equity Growth Fund	Class MYR	7 May 1998	N/A	N/A
Principal DALI Equity Fund	Class MYR	30 April 2003	N/A	N/A
Principal Islamic Malaysia Opportunities Fund	Class MYR	1 August 2012	N/A	N/A
Principal DALI Asia Pacific Equity Growth Fund	Class MYR	8 October 2004	N/A	N/A
Principal Islamic Enhanced Opportunities Fund	Class MYR	15 June 1995	N/A	N/A
Principal Islamic Small Cap Opportunities Fund	Class MYR	30 April 2003	N/A	N/A
Principal Islamic Asia Pacific Dynamic Equity Fund	Class MYR	2 June 2006	N/A	N/A
	Class D	28 April 2023 ^{Note 1}	1 day which is on the launch date	MYR1.0000
Mixed Asset Funds				
Principal Islamic Lifetime Balanced Fund	Class MYR	8 March 2001	N/A	N/A
Principal Islamic Lifetime Balanced Growth Fund	Class MYR	26 May 2003	N/A	N/A
Sukuk Funds				
Principal Islamic Lifetime Enhanced Sukuk Fund	Class MYR	23 February 2005	N/A	N/A
	Class D	28 April 2023 ^{Note 1}	1 day which is on the launch date	MYR1.0000
Principal Islamic Lifetime Sukuk Fund	Class MYR	8 October 2004	N/A	N/A

^{Note 1} The launch date shall be the date disclosed above or such other date as may be determined by us at our discretion. Any change to the launch date will be published on the website at www.principal.com.my prior to the launch date and thereafter, a supplemental prospectus will be issued to inform investors of the revised launch date.

For more details, you may contact our Customer Care Centre under the "Corporate Directory" section or Distributors; or visit our website at www.principal.com.my.

1.3. PERMITTED INVESTMENTS

Subject to the Deeds, the investment policies for the Funds and the requirements of the SC and any other regulatory body, we have the absolute discretion as to how the assets of the Funds are to be invested. Under the Deeds and provided always that there are no inconsistencies with the objectives of the Funds, the Funds can invest in a wide range of securities, including but not limited to the following:

EQUITY FUNDS

- Shariah-compliant equities and Sukuk traded in or under the rules of an Eligible Market;
- Shariah-compliant warrants that carry the right in respect of a security traded in or under the rules of an Eligible Market;

- Unlisted Shariah-compliant instruments including securities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing or quotation and are offered directly to the fund by the issuer;
- Islamic deposits and Islamic money market instruments;
- Islamic derivative instruments, including but not limited to Islamic options, Islamic futures contracts, Islamic forward contracts and Islamic swaps;
- All types of Islamic CIS^{Note 1};
- Islamic structured products^{Note 1}; and
- Any other form of Shariah-compliant investments as may be permitted by the SC from time to time that is in line with the Fund's objectives.

Note: iOP-MO is not permitted to invest in Islamic structured products.

Note 1: Not applicable to iOP-MO.

MIXED ASSET FUNDS

- Shariah-compliant equities and Sukuk traded in or under the rules of an Eligible Market;
- Shariah-compliant warrants that carry the right in respect of a security traded in or under the rules of an Eligible Market;
- Unlisted Shariah-compliant instruments including securities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing or quotation and are offered directly to the fund by the issuer;
- Islamic deposits and Islamic money market instruments;
- Islamic derivative instruments, including but not limited to Islamic options, Islamic futures contracts, Islamic forward contracts and Islamic swaps;
- All types of Islamic CIS;
- Islamic structured products; and
- Any other form of Shariah-compliant investments as may be permitted by the SC from time to time that is in line with the Fund's objectives.

SUKUK FUNDS

- Shariah-compliant equities and Sukuk traded in or under the rules of an Eligible Market;
- Shariah-compliant warrants that carry the right in respect of a security traded in or under the rules of an Eligible Market;
- Unlisted Shariah-compliant instruments including securities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing or quotation and are offered directly to the fund by the issuer;
- Islamic deposits and Islamic money market instruments;
- Islamic derivative instruments, including but not limited to Islamic options, Islamic futures contracts, Islamic forward contracts and Islamic swaps;
- All types of Islamic CIS;
- Islamic structured products; and
- Any other form of Shariah-compliant investments as may be permitted by the SC from time to time that is in line with the Fund's objectives.

Note: Provided always that the Shariah-compliant permitted investments for respective Funds as set out above shall at all times conform to the requirements of the Shariah principles and the advice of the Shariah Adviser for the time being appointed by the Manager.

1.4. INVESTMENT RESTRICTIONS AND LIMITS

	Exposure limit	Investment spread limits	Investment concentration limits
Equity Funds	<p>(1) the aggregate value of the Fund's investment in (a) Shariah-compliant transferable securities that are not traded or dealt in or under the rules of an Eligible Market;</p> <p>(b) Islamic CIS that do not</p>	<p>(2) the value of the Fund's investment in Shariah-compliant ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV;</p> <p>(3) the value of the Fund's investments in Shariah-compliant transferable securities and Islamic money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV ("single issuer limit"). In determining the single issuer limit, the value of the Fund's investments in instruments in (1) issued by the same issuer must be included in the calculation;</p> <p>(4) the value of the Fund's placement in Islamic Deposits with any single financial institution must not exceed 20% of the Fund's NAV;</p>	<p>(13) the Fund's investments in Shariah-compliant shares or Shariah-compliant securities equivalent to Shariah-compliant shares must not exceed 10% of the Shariah-compliant shares or Shariah-compliant securities equivalent to Shariah-compliant shares issued by any single issuer;</p>

Mixed Asset Funds	<p>comply with 6(a), (b) and (c); and (c) other securities i.e. investment notes,</p> <p>must not exceed 15% of the Fund's NAV, subject to a maximum limit of 10% of the Fund's NAV in a single issuer or single Islamic CIS, as the case may be.</p>	<p>(5) the aggregate value of the Fund's investments in Shariah-compliant transferable securities, Islamic money market instruments, Islamic Deposits, underlying assets of Islamic derivatives and counterparty exposure arising from the use of OTC Islamic derivatives must not exceed 25% of the Fund's NAV ("single issuer aggregate limit"). In determining the single issuer aggregate limit, the value of the Fund's investments in (1) issued by the same issuer must be included in the calculation.;</p> <p>(6) the value of the Fund's investment in units/shares of any Islamic CIS must not exceed 20% of the Fund's NAV, provided that the Islamic CIS complies with the following conditions:</p> <p>(a) An Islamic CIS authorised or recognised by the SC; or</p> <p>(b) An Islamic CIS that meets the following criteria:</p> <p>(i) The Islamic CIS is constituted and regulated in a jurisdiction where the laws and practices provide the level of investor protection that is at least equivalent to that offered in Malaysia;</p> <p>(ii) The rules on investments, borrowing and lending are substantially similar to the requirements in these Guidelines. This would exclude hedge funds;</p> <p>(iii) The assets of the Islamic CIS are managed by an entity which is approved, authorised or licensed by a securities regulator to conduct fund management activities; and</p> <p>(iv) The business of the Islamic CIS is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period; or</p> <p>(c) An Islamic CIS that meets the following criteria:</p> <p>(i) The Islamic CIS invests in:</p> <ul style="list-style-type: none"> ▪ permitted investments that comply with the GUTF, ▪ physically-backed metal ETF that comply with the following: <ul style="list-style-type: none"> a. The assets of the physically-backed metal ETF, i.e. the physical metal, is held in trust and is segregated from the assets of the manager, sponsor, trustee or custodian; and b. The physically-backed metal ETF adopts a passive management strategy with the objective of tracking the price of the metal; or ▪ real estate; <p>(ii) The Islamic CIS meets the criteria imposed on transferable securities as following:</p> <ul style="list-style-type: none"> ▪ The maximum potential loss which the Fund may incur as a result of the investment is limited to the amount paid for it; ▪ The investment is liquid, and will not impair the Fund's ability to satisfy its redemption and other payment commitments; 	<p>(14) the Fund's investments in Sukuk must not exceed 20% of the Sukuk issued by any single issuer. This limit may be disregarded at the time of acquisition if at that time of acquisition the gross amount of Sukuk in issue cannot be determined;</p> <p>(15) the Fund's investments in Islamic money market instruments must not exceed 10% of the instruments issued by any single issuer. This limit does not apply to Islamic money market instruments that do not have a pre-determined issue size;</p> <p>(16) the Fund's investments in Islamic CIS must not exceed 25% of the units/shares in the Islamic CIS.</p>
Sukuk Funds			

		<ul style="list-style-type: none"> ▪ The investment is subject to reliable and verifiable valuation on a daily basis; and ▪ There is appropriate information available to the market on the investment; <p>(iii) The units or shares in the Islamic CIS are listed for quotation and traded on a stock exchange that is an Eligible Market; and</p> <p>(iv) The Islamic CIS is not an inverse or leveraged product; or</p> <p>(d) An Islamic CIS that does not comply with the above, but subject to the exposure limit stipulated in this section;</p> <p>(7) The value of the Fund's investments in units or shares of an Islamic CIS that invests in real estate pursuant to 6(c) must not exceed 15% of the Fund's NAV.</p> <p>(8) the value of the Fund's investment in Shariah-compliant transferable securities and Islamic money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV (group limit"). In determining the group limit, the value of the Fund's investments in instruments in the exposure limit issued by the issuers within the same group of companies must be included in the calculation.</p> <p>(9) For investments in Islamic derivatives (for hedging purpose):</p> <ul style="list-style-type: none"> ▪ the Fund's global exposure from Islamic derivatives positions should not exceed the Fund's NAV. ▪ the exposure to the underlying assets must not exceed the investment spread limits stipulated in the GUTF; ▪ the maximum exposure of the Fund's OTC Islamic derivative transaction with the counter-party calculated based on the method below must not exceed 10% of the Fund's NAV; ▪ the counter-party of an OTC Islamic derivative is a financial institution with a minimum long-term of investment grade (including gradation and subcategories); and ▪ Where the underlying instrument of an Islamic derivative is a commodity, such Islamic derivative must be settled in cash at all times. <p><u>Calculation of exposure to counterparty of OTC Islamic derivatives</u></p> <ul style="list-style-type: none"> ▪ The exposure to a counterparty of an OTC Islamic derivative must be measured based on the maximum potential loss that may be incurred by the Fund if the counterparty defaults and not on the basis of the notional value of the OTC Islamic derivative. ▪ The total exposure to a single counterparty is calculated by summing the exposure arising from all OTC Islamic derivative transactions entered into with the same counterparty <p><u>Exceptions to investment spread limits</u></p> <p>Government and other public Shariah-compliant securities or Islamic money market instruments</p> <p>(10) The single issuer limit in (3) may be raised to 35% of the Fund's NAV if the issuing entity is, or the issue is guaranteed by, either a foreign government, foreign government agency, foreign central bank or supranational, that has a minimum long-term credit rating of investment grade (including gradation and subcategories) by an international rating agency.</p>	
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		<p>(11) Where the single issuer limit is increased to 35% of the Fund's NAV, the single issuer aggregate limit in (5) may be raised, subject to the group limit in (8) not exceeding 35% of the Fund's NAV.</p> <p>Islamic Deposits</p> <p>(12) The single financial institution limit in (4) does not apply to placements of Islamic Deposits arising from:</p> <ul style="list-style-type: none"> (a) subscription monies received prior to the commencement of investment by the Fund; (b) liquidation of investments prior to the termination or maturity of the Fund, where the placement of Islamic Deposits with various financial institutions would not be in the best interests of Unit holders; or (c) monies held for the settlement of redemption or other payment obligations, where the placement of Islamic Deposits with various financial institutions would not be in the best interests of Unit holders 	
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The global exposure of the Funds is calculated based on the following:

Commitment approach

The global exposure of the Funds to Islamic derivatives is calculated as the sum of the:

- absolute value of the exposure of each individual Islamic derivative not involved in netting or hedging arrangements;
- absolute value of the net exposure of each individual Islamic derivative after netting or hedging arrangement; and
- the values of cash collateral received pursuant to:
 - (i) the reduction of exposure to counterparties of OTC Islamic derivatives; and
 - (ii) efficient portfolio management techniques relating to securities lending and repurchase transactions (if applicable).

Netting arrangements

Netting arrangements may be taken into account to reduce the Fund's exposure to Islamic derivatives.

The Fund may net positions between:

- (a) Islamic derivatives on the same underlying constituents, even if the maturity dates are different; or
- (b) Islamic derivatives and the same corresponding underlying constituents, if those underlying constituents are Shariah-compliant transferable securities, Islamic money market instruments, or units or shares in Islamic collective investment schemes.

Hedging arrangements

Hedging arrangements may be taken into account to reduce the Fund's exposure to Islamic derivatives.

The marked-to-market value of Shariah-compliant transferable securities, Islamic money market instruments, or units or shares in Islamic collective investment schemes involved in hedging arrangements may be taken into account to reduce the exposure of the Fund to Islamic derivatives.

The hedging arrangement must:

- (a) not be aimed at generating a return;
- (b) result in an overall verifiable reduction of the risk of the Funds;
- (c) offset the general and specific risks linked to the underlying constituent being hedged;
- (d) relate to the same asset class being hedged; and
- (e) be able to meet its hedging objective in all market conditions.

Note: The above restrictions and limits do not apply to Shariah-compliant instruments issued or guaranteed by the Malaysian government or BNM.

Note 1:

Not applicable for **ILI-ES** and **ILI-S**. Instead, the following apply:

- (17) The value of the Fund's investments in Sukuk and Islamic Money Market Instruments issued by any single issuer must not exceed 20% of the Fund's NAV ("single issuer limit"). In determining the single issuer limit, the value of the fund's investments in instruments in (1) by the same issuer must be included in the calculation.
- (18) The single issuer limit in (16) may be increased to 30% if the Sukuk are rated by any Malaysian or global rating agency to have the highest long-term credit rating.
- (19) Where the single issuer limit is increased to 30% pursuant to (17), the single issuer aggregate limit of 25% in (5) may be raised to 30% of the fund's NAV.
- (20) The value of the Fund's investments in Sukuk and Islamic Money Market Instruments issued by any group of companies must not exceed 30% of the Fund's NAV. In determining the group limit, the value of the fund's investments in instruments in (1) issued by the issuers within the same group of companies must be included in the calculation.

- (21) Where the Sukuk or Islamic Money Market Instruments are issued, or the issue is guaranteed by, either a foreign government, foreign government agency, foreign central bank or supranational, that has a minimum long-term credit rating of investment grade (including gradation and subcategories) by an international rating agency, the fund manager may apply the limits in paragraphs (9) and (10).

In respect of the above investment restrictions and limits, the GUTF provides that any breach of the restrictions and limits due to appreciation or depreciation in value of the Fund's investments, repurchase of units or payment made out of the Fund, or change in capital of a corporation in which the Fund has invested in, or downgrade in or cessation of a credit rating need not be reported to the SC but we must rectify as soon as practicable within three (3) months from the date of breach unless stated otherwise in the GUTF. However, the three-month period may be extended if it is in the best interest of Unit holders and Trustee's consent is obtained. Such extension must be subject to at least a monthly review by the trustee.

1.4.1. Minimum requirement for Islamic liquid assets

Islamic liquid assets include cash, Islamic deposits with licensed Islamic financial institutions, Islamic money market instruments and Sukuk with a remaining maturity of less than one (1) year.

	Requirement
Equity Funds	Hold a minimum of 2.00% of Fund's NAV (or such other amount agreed between us and the Trustee from time to time), whichever is lower, in Islamic liquid assets.
Mixed Asset Funds	
Sukuk Funds	

1.5. APPROVALS AND CONDITIONS

We have obtained variations and /or exemptions to the GUTF for the following Funds:

(a) Principal Islamic Lifetime Enhanced Sukuk Fund

Principal Malaysia has obtained approval from the SC for a variation of Clause 10.38 of the GUTF dated 3 March 2008 which allow Principal Malaysia to calculate withdrawal based on several valuation points (instead of the next valuation point upon receipt of withdrawal request i.e. forward pricing).

The Fund currently adopt a single pricing method based on forward price. Hence, the variation of Clause 10.38 no longer applicable.

(b) Principal Islamic Lifetime Sukuk Fund, Principal Islamic Small Cap Opportunities Fund, and Principal Islamic Lifetime Enhanced Sukuk Fund

Principal Malaysia has obtained approval from the SC for a variation of Clause 10.16 (a) of the GUTF dated 11 June 2020 which allow Principal Malaysia to pay Unit holder(s) within fifteen (15) days of receipt of the withdrawal notice, when the Fund's total withdrawal amount is 15% or more of the total NAV of the Fund.

Based on the Clause 8.19(c) in the GUTF dated 21 December 2021, a fund that utilises liquidity risk management tool may extend the payment period as prescribed in Clause 8.18(a) of the GUTF dated 21 December 2021. Hence, this variation is no longer applicable. Please refer to Section 3.6.1. for more information.

(c) Principal Islamic Asia Pacific Dynamic Equity Fund, Principal DALI Equity Fund, Principal Islamic Lifetime Balanced Fund, Principal Islamic Lifetime Enhanced Sukuk Fund and Principal Islamic Lifetime Sukuk Fund

Principal Malaysia has obtained approval from the SC for an exemption to comply with Schedule C: Valuation of other unlisted bonds of the GUTF which allow Principal Malaysia to obtain the price of any unlisted non MYR-denominated Sukuk from the ICE for valuation purpose subject to these conditions:

1. the Manager is to keep abreast of the development of ICE's pricing methodology; and
2. the Manager is to continuously keep track on the acceptability of ICE's prices in the market place.

Based on the revised Schedule C: Valuation of other unlisted bonds in the GUTF dated 21 December 2021, the Clause has been removed and amended to provide for a principle-based approach to prescription of requirement. Hence, the variation is no longer applicable.

1.6. SHARIAH INVESTMENT GUIDELINES

At all times, the Funds shall invest in activities and instruments that are permissible under Shariah principles and shall not invest in activities and instruments that are prohibited under Shariah principles based on Shariah Adviser's established parameters as below, where applicable:

1.6.1. Screening process

a. Shariah-compliant equity

1. For Shariah-compliant securities listed on Bursa Malaysia, the Funds shall invest in Shariah-compliant securities listed under the List of Shariah-compliant securities by the SAC of the SC.
2. For initial public offering, the Funds shall invest in Shariah-compliant securities that are approved by SAC of the SC and/or Shariah Adviser in accordance to the SAC of the SC's screening methodologies.
3. For foreign Shariah-compliant securities, the Funds shall invest in Shariah-compliant securities which are listed under the List of Shariah-compliant securities by index providers or service providers subject to approval from Shariah Adviser.

4. Any other Shariah-compliant instruments or Shariah-compliant instruments that are not being mentioned in items 1 to 3 above, the Funds should seek approval from Shariah Adviser pre-investment being made.

b. Sukuk

Sukuk are certificates of equal value which evidence undivided ownership or investment in the assets using Shariah principles and concepts. The Fund(s) will only invest in Sukuk which is approved by the SAC of the SC, Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and/or other Shariah boards/standards acceptable to the Shariah Adviser. The Shariah Adviser will review any Sukuk instruments to be invested by the Fund based on the data available at:

- Bond info hub (www.bondinfo.bnm.gov.my)
- Fully automated system for issuing/tendering (<http://fast.bnm.gov.my>)

c. Islamic money market instruments

For investment in Malaysia, the Fund(s) will invest in Islamic money market instruments approved by the SAC of BNM based on the data available at:

- Bond info hub (www.bondinfo.bnm.gov.my)
- Fully automated system for issuing/tendering (www.fast.bnm.gov.my).

For investment in foreign markets, Islamic money market instruments that are endorsed by other Shariah adviser or committee must be approved by the Shariah Adviser upon review of the relevant documents e.g. principal terms and conditions and Shariah pronouncements or approvals.

d. Investment in Islamic Deposit

Islamic Deposits shall be placed with financial institutions licensed under the Islamic Financial Services Act 2013 and/or Financial Services Act 2013, whichever is appropriate. For the avoidance of doubt, only Islamic account is permitted for placement of deposit with institutions licensed under the Financial Services Act 2013. The Fund(s) is also prohibited from investing in interest-bearing deposits and recognizing any interest income.

e. Investment in Islamic CIS

The Fund(s) shall invest in Islamic CIS which has to be regulated and registered or authorized or approved by the relevant authority in its home jurisdiction.

f. Islamic derivative instruments

Islamic derivative instruments that are endorsed by other Shariah advisers or committees must be approved by the Shariah Adviser upon review of the relevant documents e.g. principal terms and conditions and Shariah pronouncements or approvals.

1.6.2. Rules on divestment of Shariah non-compliant investments

In the event the following investment instances occur in the Funds, the rules below shall be executed by Manager or its fund management delegate:

(a) Wrong Investment

This refers to Shariah non-compliant investment made by the Manager and the external investment manager, if applicable. The said investment will be disposed of or withdrawn with immediate effect or within a month of knowing the status of the investment. In the event of the investment resulted in gain (through capital gain, dividend, and/or profit) received before or after the disposal of the investment, the gain is to be channeled to baitulmal and/or any other charitable bodies as advised by the Shariah Adviser. The Fund has a right to retain only the investment cost if the disposal of the investment resulted in losses to the Fund(s), the losses are to be borne by the Manager.

(b) Reclassification of Shariah status of the Funds' investment

These refer to securities which were earlier classified as Shariah-compliant but due to certain factors, such as changes in the companies' business operations and financial positions, are subsequently reclassified as Shariah non-compliant. In this regard, if on the date the Shariah-compliant securities turned Shariah non-compliant, the respective market price of Shariah non-compliant securities exceeds or is equal to the investment cost, Funds that hold such Shariah non-compliant securities must dispose them off. Any dividends received up to the date of the announcement/review and capital gains arising from the disposal of the Shariah non-compliant securities on the date of the announcement/review can be kept by the Funds.

However, any dividends received and excess capital gain from the disposal of Shariah non-compliant securities after the date of the announcement/review at a market price that is higher than the closing price on the date of the announcement/review should be channeled to baitulmal and/or charitable bodies approved by the Shariah Adviser.

On the other hand, Funds are allowed to hold its investment in the Shariah non-compliant securities if the market price of the said securities is below the Funds' investment costs. It is also permissible for the Funds to keep the dividends received during the holding period until such time when the total amount of dividends received and the market value of the Shariah non-compliant securities held equal the investment cost. At this stage, they are advised to dispose of their holding.

In addition, during the holding period, Funds are allowed to subscribe to:

- (a) any issue of new Shariah-compliant securities by a company whose Shariah non-compliant securities are held by the Funds, for example rights issues, bonus issues, special issues and warrants (excluding Shariah-compliant securities whose nature is Shariah non-compliant e.g. loan stocks); and
- (b) Shariah-compliant securities of other companies offered by the company whose Shariah non-compliant instruments are held by the Funds.

on condition that they expedite the disposal of the Shariah non-compliant instruments.

Where the Funds invest in instruments (save for money market instruments, deposit and equities or equities related i.e. warrants, right issue etc) earlier classified as Shariah-compliant but considered to have become Shariah non-compliant (by the Shariah adviser appointed by the issuer of that security) then guidance from the Shariah Adviser should be obtained.

Where the Funds invest in money market instruments, deposits or equities or equities related earlier classified as Shariah-compliant that are subsequently determined, regarded or deemed to be Shariah non-compliant as a result of a new or previously unknown fatwa/ruling and/or upon advice by the Shariah Adviser, the Manager would be required to sell such money market instruments and equities or equities related or withdraw such deposits, as soon as practicable of having notice, knowledge or advice of the status of such instruments. Any profit/gain received from such instruments prior to the occurrence of the aforesaid event shall be retained by the Fund. Any profit/gain received subsequent to the occurrence of the aforesaid event shall be channelled to baitulmal and/or charitable bodies, as endorsed by the Shariah Adviser.

1.6.3. Payment of Zakat

This refers to the purification by way of payment of zakat by Muslims. The Funds do not pay zakat on behalf of Muslim Unit holders. Thus, Muslim Unit holders are advised to pay zakat on their own.

1.6.4. Periodic review

The Shariah Adviser will review the Funds on a monthly basis to ensure the Funds' operating procedures and investments comply with the Shariah principles. Upon completion of each review, the Shariah Adviser will deliver its opinion on the Shariah compliancy.

1.6.5. The Funds' compliance to the Shariah principles

The Shariah Adviser is of the view that, given the prevailing circumstances, the Islamic Funds and their respective investments as disclosed and presented are acceptable and within the principles of Shariah, subject to proper execution of the legal documents and other transactions related to the Funds.

The investment portfolio of the Funds comprises instruments which have been classified as Shariah-compliant by the SAC of the SC and, where applicable the SAC of the BNM. For instruments that are not classified as Shariah-compliant by the SAC of the SC and, where applicable the SAC of BNM, the status of the instruments will be determined in accordance with the ruling of the Shariah Adviser and Shariah Investment Guidelines.

1.7. FINANCING

The Funds may not obtain cash financing or borrow other assets in connection with its activities. However, the Funds may obtain financing for the purpose of meeting withdrawal requests for units and for short-term bridging requirements provided always that all the financing complied with the Shariah requirements.

1.8. SECURITIES LENDING

Subject to Shariah Adviser's approval, where practicable, the Funds may participate in the lending of securities under the GUTF on Securities Borrowing and Lending issued when we find it appropriate to do so with a view of generating additional income for the Funds with an acceptable degree of risk.

The lending of securities is permitted under the Deeds and must comply with the above mentioned as well as with the relevant rules and/or directives issued by Bursa Malaysia, Bursa Malaysia Depository Sdn. Bhd., Bursa Malaysia Securities Clearing Sdn. Bhd., SC guidelines and any other relevant authority.

1.9. RISK FACTORS

1.9.1. GENERAL RISKS OF INVESTING IN A FUND

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

Returns and capital not guaranteed

The investment of the fund is subject to market fluctuations and its inherent risk. There is **NO GUARANTEE** on the investment which includes your investment capital and returns, nor any assurance that the fund's investment objective will be achieved. You should also note that the fund is neither a capital guaranteed fund nor a capital protected fund. However, we reduce this risk by ensuring diligent management of the assets of the fund based on a structured investment process.

Market risk

This risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the fund's NAV.

Inflation risk

This is the risk that your investment in the fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce your purchasing power even though the value of the investment in monetary terms has increased.

Financing risk

This risk occurs when you obtain financing to finance your investment. The inherent risk of investing with money obtained from financing includes you being unable to service the financing payments. In the event units are used as collateral and if the prices of units fall below a certain level due to market conditions, you may be required to pay additional amounts on top of your existing instalment. If you fail to do so within the time prescribed, your units may be sold at an unfavourable price and the proceeds thereof will be used towards the settlement of your financing.

Manager risk

This risk refers to the day-to-day management of the fund by the manager which will impact the performance of the fund. For example, investment decisions undertaken by the manager, as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the deed, relevant law or guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the fund.

Liquidity risk

Liquidity risk refers to the ease of liquidating an asset without causing market dislocation. This depends on the supply and demand as well as the asset's volume or amount traded in the market. If the fund holds assets that are illiquid or difficult to dispose or liquidity policy applied by the Islamic CIS (e.g. suspension of the Islamic CIS), the value of the Fund and consequently the value of unitholders' investment in the fund may be negatively affected.

Shariah non-compliance risk

This refers to the risk of the fund not conforming to Shariah Investment Guidelines due to investment in Shariah non-compliant instrument or reclassification of Shariah status. In the event that the manager is required to rectify any Shariah non-compliance by disposing the related instrument, any losses from disposal due to investment in Shariah non-compliant instrument will be borne by the manager whereas any losses from disposal due to reclassification of Shariah status will be borne by the fund. In any circumstances, gain received from disposal shall be channeled to baitulmal and/or charitable bodies as approved by the Shariah Adviser.

Please refer to page 29 for more information on Shariah Investment Guidelines.

1.9.2. SPECIFIC RISKS ASSOCIATED WITH THE INVESTMENT PORTFOLIO OF THE FUNDS

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

1.9.2.1. Stock specific risk Prices of a particular stock may fluctuate in response to the circumstances affecting individual companies such as adverse financial performance, news of a possible merger or loss of key personnel of a company. Any adverse price movements of such stock will adversely affect the Fund's NAV.	<ul style="list-style-type: none">Principal DALI Equity Growth FundPrincipal DALI Equity FundPrincipal Islamic Malaysia Opportunities FundPrincipal DALI Asia Pacific Equity Growth FundPrincipal Islamic Enhanced Opportunities FundPrincipal Islamic Small Cap Opportunities FundPrincipal Islamic Asia Pacific Dynamic Equity FundPrincipal Islamic Lifetime Balanced FundPrincipal Islamic Lifetime Balanced Growth FundPrincipal Islamic Lifetime Enhanced Sukuk Fund
1.9.2.2. Risks associated with investment in Shariah-compliant warrants and/or Islamic options There are inherent risks associated with investment in Shariah-compliant warrants and/or Islamic options. The value of Shariah-compliant warrants and/or Islamic options are influenced by the	<ul style="list-style-type: none">Principal DALI Equity Growth FundPrincipal DALI Equity FundPrincipal Islamic Malaysia Opportunities FundPrincipal DALI Asia Pacific Equity Growth FundPrincipal Islamic Enhanced Opportunities Fund

<p>current market price of the underlying security, the exercise price of the contract, the time to expiration of the contract and the estimate of the future volatility of the underlying security's price over the life of the contract. Generally, the erosion in value of Shariah-compliant warrants and/or Islamic options accelerates as it approaches its expiry date. Like securities, we will undertake fundamental research and analysis on these instruments with an aim to mitigate its risks.</p>	<ul style="list-style-type: none"> Principal Islamic Small Cap Opportunities Fund Principal Islamic Asia Pacific Dynamic Equity Fund Principal Islamic Lifetime Balanced Fund Principal Islamic Lifetime Balanced Growth Fund Principal Islamic Lifetime Enhanced Sukuk Fund Principal Islamic Lifetime Sukuk Fund
<p>1.9.2.3. Interest rate risk Interest rate risk refers to the impact of interest rate changes on the valuation of Sukuk and Islamic money market instruments. When interest rates rise, Sukuk and Islamic money market instruments prices generally decline and this may lower the market value of the Fund's investment in Sukuk and Islamic money market instruments. In managing the Sukuk, we take into account the coupon rate and time to maturity of the Sukuk with an aim to mitigate the interest rate risk. As for Islamic money market instruments, the typical tenor of these instruments are less than 12-month maturity and unlike Sukuk, any change to interest rate will only have a minor impact to the prices of these instruments.</p> <p>Please note that although Sukuk is a non-interest bearing instrument, its price movement is correlated to the movement in the interest rates. As such, investment in Sukuk will have an exposure to the movement of the interest rates. Even though the Fund does not invest in interest bearing instruments, the interest rate referred herein is to the general interest rate of the country, which may affect the value of the investment of the Fund.</p>	<ul style="list-style-type: none"> Principal DALI Equity Growth Fund Principal DALI Equity Fund Principal Islamic Malaysia Opportunities Fund Principal DALI Asia Pacific Equity Growth Fund Principal Islamic Enhanced Opportunities Fund Principal Islamic Small Cap Opportunities Fund Principal Islamic Asia Pacific Dynamic Equity Fund Principal Islamic Lifetime Balanced Fund Principal Islamic Lifetime Balanced Growth Fund Principal Islamic Lifetime Enhanced Sukuk Fund Principal Islamic Lifetime Sukuk Fund
<p>1.9.2.4. Risk associated with investing in Islamic CIS Since the Fund may invest into Islamic CIS, there is a risk of concentration into Islamic CIS, in which the Islamic CIS's management company has absolute discretion over the Islamic CIS's investment technique and knowledge, operational controls and management. In the event of mismanagement of the Islamic CIS and/or the management company, the NAV of the Fund, which invests into those Islamic CIS would be affected negatively. Should the situation arise, we will seek for another Islamic CIS that is consistent with the objective of the Fund.</p>	<ul style="list-style-type: none"> Principal DALI Equity Growth Fund Principal DALI Equity Fund Principal Islamic Malaysia Opportunities Fund Principal DALI Asia Pacific Equity Growth Fund Principal Islamic Enhanced Opportunities Fund Principal Islamic Small Cap Opportunities Fund Principal Islamic Asia Pacific Dynamic Equity Fund Principal Islamic Lifetime Balanced Fund Principal Islamic Lifetime Balanced Growth Fund Principal Islamic Lifetime Enhanced Sukuk Fund Principal Islamic Lifetime Sukuk Fund
<p>1.9.2.5. Country risk Investments of the Fund in any country may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund invests in. For example, the deteriorating economic condition of such countries may adversely affect the value of the investments undertaken by the Fund in those affected countries. This in turn may cause the NAV of the Fund to fall.</p>	<ul style="list-style-type: none"> Principal DALI Equity Growth Fund Principal DALI Equity Fund Principal DALI Asia Pacific Equity Growth Fund Principal Islamic Small Cap Opportunities Fund Principal Islamic Asia Pacific Dynamic Equity Fund Principal Islamic Lifetime Balanced Fund Principal Islamic Lifetime Balanced Growth Fund Principal Islamic Lifetime Enhanced Sukuk Fund Principal Islamic Lifetime Sukuk Fund
<p>1.9.2.6. Currency risk As the investments of the Fund may be denominated in currencies other than the base currency of the Fund, any fluctuation in the exchange rate between the base currency of the Fund and the currencies in which the investments are denominated may have an impact on the value of these investments. You should be aware that if the currencies in which the investments are denominated in depreciate against the base currency of the Fund, this will have an adverse effect on the NAV of the Fund and vice versa. You should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.</p>	<ul style="list-style-type: none"> Principal DALI Equity Growth Fund Principal DALI Equity Fund Principal DALI Asia Pacific Equity Growth Fund Principal Islamic Small Cap Opportunities Fund Principal Islamic Asia Pacific Dynamic Equity Fund Principal Islamic Lifetime Balanced Fund Principal Islamic Lifetime Balanced Growth Fund Principal Islamic Lifetime Enhanced Sukuk Fund Principal Islamic Lifetime Sukuk Fund
<p>1.9.2.7. Risk of investing in emerging markets In comparison with investments in the developed markets, investments in emerging markets may involve a higher degree of risk due to the greater possibility of political or economic instability and societal tensions. Emerging markets are markets that are, by definition, "in a state of transition" and are therefore exposed to rapid political change and economic declines. The Shariah-compliant securities in the emerging markets may face a higher risk of price drop while the exchange rates in these emerging markets are generally more volatile than those of developed markets. As such, you should be aware that</p>	<ul style="list-style-type: none"> Principal DALI Equity Fund Principal DALI Asia Pacific Equity Growth Fund Principal Islamic Asia Pacific Dynamic Equity Fund Principal Islamic Lifetime Balanced Fund Principal Islamic Lifetime Enhanced Sukuk Fund Principal Islamic Lifetime Sukuk Fund

<p>investments in emerging markets may be subject to higher price volatility and therefore will tend to have a higher investment risk that will affect the Fund's growth. We attempt to mitigate these risks through active asset allocation management and diversification across different countries and sectors, in addition to our continuous bottom-up and top-down research and analysis.</p>	
<p>1.9.2.8. Credit and default risk The Fund will be exposed to a certain degree of credit and default risk of issuers or counterparties when the Fund invests in Sukuk, Islamic money market instruments and/or places in Islamic Deposits. Credit risk relates to the creditworthiness of an issuers or counterparties and their expected ability to make timely payment of profit and/or principal. Any adverse situations faced by the issuer or counterparties may impact the value as well as liquidity of the investments. In the case of rated Sukuk and Islamic money market instruments, this may lead to a credit downgrade. Default risk relates to the risk that an issuer or counterparties either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the investments. This could adversely affect the value of the Fund. We aim to mitigate this risk by performing bottom-up and top-down credit research and analysis to determine the creditworthiness of the issuers or counterparties, and impose investment limits on exposures for issuers or counterparties with different credit profiles as a precautionary step to limit any loss that may arise directly or indirectly as a result of a defaulted transaction.</p>	<ul style="list-style-type: none"> ▪ Principal DALI Equity Growth Fund ▪ Principal DALI Equity Fund ▪ Principal Islamic Malaysia Opportunities Fund ▪ Principal DALI Asia Pacific Equity Growth Fund ▪ Principal Islamic Enhanced Opportunities Fund ▪ Principal Islamic Small Cap Opportunities Fund ▪ Principal Islamic Asia Pacific Dynamic Equity Fund ▪ Principal Islamic Lifetime Balanced Fund ▪ Principal Islamic Lifetime Balanced Growth Fund ▪ Principal Islamic Lifetime Enhanced Sukuk Fund ▪ Principal Islamic Lifetime Sukuk Fund

1.9.3. RISKS ASSOCIATED WITH INVESTMENT IN CLASS D

Cyber security risk

This is the risk arising from cyber-attack on e-Wallet App. Should the e-Wallet App be compromised, it may result in unauthorised transactions pertaining to the Fund. Further to that, your investment-related information and personal data may be leaked. All transactions through e-Wallet App and/or the Fund may be temporarily suspended, in which you may not be able to transact through e-Wallet App or in the Fund due to cyber-attack.

Functionality risk

This is the risk that the e-Wallet App does not operate as intended due to factors including but not limited to connectivity and interface issues. If the e-Wallet App does not function as expected, your transaction through the e-Wallet App may not be correctly processed and/or completed.

Risk associated with discontinuation risk on e-Wallet Provider

As all the transactions are done through e-Wallet App developed by the e-Wallet Provider, the continuous operation of the e-Wallet Provider is crucial. The discontinuation of services provided by e-Wallet Provider may be due to but not limited to revocation of the license. Should such event happen, withdrawal from the Fund may be delayed.

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

2. FEES, CHARGES AND EXPENSES

2.1. CHARGES

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

2.1.1. Application Fee

When applying unit of a Class, you may be charged an Application Fee based on the NAV per unit of the respective Class, which may differ between distribution channels. The table below shows the maximum Application Fee that may be charged.

Class	Maximum Application Fee (% of the NAV per unit)		
	Principal Distributors	IUTAs	Class D
Equity Funds			
Principal DALI Equity Growth Fund	6.50	6.50	N/A
Principal DALI Equity Fund	6.50	6.50	N/A
Principal Islamic Malaysia Opportunities Fund	6.50	5.50	N/A
Principal DALI Asia Pacific Equity Growth Fund	6.50	6.50	N/A
Principal Islamic Enhanced Opportunities Fund	5.00	5.00	N/A
Principal Islamic Small Cap Opportunities Fund	6.50	6.50	N/A
Principal Islamic Asia Pacific Dynamic Equity Fund	5.00	5.00	5.00
Mixed Asset Funds			
Principal Islamic Lifetime Balanced Fund	6.50	6.50	N/A
Principal Islamic Lifetime Balanced Growth Fund	6.00	5.00	N/A
Sukuk Funds			
Principal Islamic Lifetime Enhanced Sukuk Fund	2.00	2.00	2.00
Principal Islamic Lifetime Sukuk Fund	2.00	2.00	N/A

Despite the maximum Application Fees disclosed above, you may negotiate with us or our Distributors for lower charges.

We and our Distributors reserve our sole and absolute discretion to accept or reject your request and without having to assign any reason. Subject always to the provisions of the Deed and GUTF, we reserve our sole and absolute discretion without providing any reason whatsoever and at any time to amend, vary, waive and/or reduce the fees and charges (except for the Trustee Fee), whether payable by the Fund or Class, payable by you to the Fund or payable by any other investors to the Fund.

If the Fund is an EPF-MIS approved fund and you have invested via EPF-MIS, the investor may be charged an Application Fee of up to 3.00% of the NAV per unit, or such other rate as the EPF may determine.

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

	Class ABC (for e-Wallet App user)	Class XYZ
Investment amount	MYR 10,000	USD 10,000
NAV per unit	MYR 1.0000	MYR 1.0000
Application Fee (NAV per unit)	5.00%	5.00%
Units issued to Unit holder = $\frac{\text{Investment amount}}{\text{NAV per unit}}$	= $\frac{\text{MYR 10,000.00}}{\text{MYR 1.0000}}$ = 10,000 units	= $\frac{\text{MYR 10,000.00}}{\text{MYR 1.0000}}$ = 10,000 units
Total Application Fee = Units issued to Unit holder x NAV per unit x Application Fee (%)	= 10,000 units x MYR 1.0000 x 5% = MYR 500.00	= 10,000 units x MYR 1.0000 x 5% = MYR 500.00

Note: Please note that the above example is for illustration purpose only. The Application Fee imposed will be rounded to two (2) decimal places.

2.1.2. Withdrawal Fee

Nil

2.1.3. Switching Fee

Switching is treated as a withdrawal from a Class and an investment into another Class or Principal Malaysia's fund (or its classes). You may be charged a Switching Fee equal to the difference (if any) between the Application Fees of the Class and the Application Fee of the other Class or Principal Malaysia's fund (or its classes). Switching Fee will not be charged if the Class or Principal Malaysia's fund (or its classes) to be switched into has a lower Application Fee. In addition to the Switching Fee, you may be charged MYR100 as the administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fees. We also have the discretion to waive the Switching Fee and/or administrative fee.

Switching from Islamic fund to conventional fund is discouraged for Muslim investors. The term 'discouraged' is not a Shariah ruling imposed by the Shariah Adviser of the Funds to the investor, rather a suggestion for the Muslim investor to continue practicing the Islamic conducts, ie: Shariah investing.

2.1.4. Transfer Fee

You may be charged Transfer Fee of not more than MYR50.00 for each transfer.

2.2. FEES AND EXPENSES

All fees and expenses of the Fund will generally be apportioned to each Class currently available for sale based on the MCR except for Management Fee and those that are related to the specific Class only, such as, the cost of Unit holders meeting held in relation to the respective Class. If in doubt, you should consult professional advisers for a better understanding.

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

2.2.1. Management Fee

Please note that the Management Fee is charged to the respective Class at the Class level, based on the NAV of the Class. Table below stipulates the annual Management Fee charged for the respective Class, based on the NAV of the Class. The Management Fee shall be accrued daily and paid monthly.

Funds	Maximum Management Fee (% p.a. of the NAV of the Class)
Equity Funds	
Principal DALI Equity Growth Fund	1.50
Principal DALI Equity Fund	1.85
Principal Islamic Malaysia Opportunities Fund	1.50
Principal DALI Asia Pacific Equity Growth Fund	1.50
Principal Islamic Enhanced Opportunities Fund	1.50
Principal Islamic Small Cap Opportunities Fund	1.85
Principal Islamic Asia Pacific Dynamic Equity Fund	1.80
Mixed Asset Funds	
Principal Islamic Lifetime Balanced Fund	1.50
Principal Islamic Lifetime Balanced Growth Fund	1.50
Sukuk Funds	
Principal Islamic Lifetime Enhanced Sukuk Fund	1.00
Principal Islamic Lifetime Sukuk Fund	0.95

Below is an illustration on how the Management Fee is calculated, assuming Management Fee is 1.00% per annum and 1.50% per annum for Class ABC and Class XYZ respectively:-

	Class ABC (for e-Wallet App user) (Denominated in MYR) (MYR)	Class XYZ (Denominated in MYR) (MYR)
Management Fee	1.00% per annum	1.50% per annum
NAV of the Class	MYR 150 million	MYR 150 million

Management Fee for the day = NAV of the Class x Management Fee rate for the Class (%) / 365 days	= MYR 150 million x 1.00% / 365 = MYR 4109.59	= MYR 150 million x 1.50% / 365 = MYR 6164.38
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Note: In the event of a leap year, the computation will be based on 366 calendar days.

2.2.2. Trustee Fee

The table below stipulates the annual Trustee Fee and custodian fee for the respective Funds, based on the NAV of the Fund. The Trustee Fee and custodian fee shall be accrued daily based on the NAV of the Fund and paid monthly.

Funds	Trustee	Maximum Trustee Fee (% p.a. of the NAV of the Fund)
Equity Funds		
Principal DALI Equity Growth Fund	MTrustee	0.06
Principal DALI Equity Fund	UTMB	0.06
Principal Islamic Malaysia Opportunities Fund	ART	0.05
Principal DALI Asia Pacific Equity Growth Fund	ART	0.06
Principal Islamic Enhanced Opportunities Fund	ART	0.09
Principal Islamic Small Cap Opportunities Fund	UTMB	0.06
Principal Islamic Asia Pacific Dynamic Equity Fund	HSBCT	0.07
Mixed Asset Funds		
Principal Islamic Lifetime Balanced Fund	UTMB	0.10
Principal Islamic Lifetime Balanced Growth Fund	MTB	0.07
Sukuk Funds		
Principal Islamic Lifetime Enhanced Sukuk Fund	HSBCT	0.07
Principal Islamic Lifetime Sukuk Fund	ART	0.06

Note: The Trustee Fee includes local custodian fee but excludes foreign sub-custodian fee (if any). Foreign sub-custodian fee is dependant on the country invested and is charged monthly in arrears.

Below is an illustration on how the Trustee Fee is calculated:

Trustee Fee for the day = NAV of the Fund x annual Trustee Fee rate for the Fund (%) / 365 days

If the NAV of the Fund is MYR500 million, then

Trustee Fee for the day = MYR500 million x 0.06% per annum / 365 days
= MYR821.92

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

2.2.3. Other Expenses

The Deeds also provide for payment of other expenses. The major expenses recoverable directly from the Funds include:

- expenses incurred in the sale, purchase, insurance/Takaful, custody and any other dealings of investments including commissions/fees paid to brokers and costs involved with external specialists approved by the Trustees in investigating and evaluating any proposed investment;
- (where the foreign custodial function is delegated by the Trustees), charges/fees paid to the sub-custodian;
- expenses incurred in the printing of, the purchasing of stationery and postage for the annual and interim (if any) reports;
- tax and other duties imposed by the government and other authorities and bank fees;
- Shariah Adviser's fee and expenses;
- tax agent's and auditor's fees and expenses in relation to the Funds;
- fees incurred for the fund valuation and accounting of the Fund performed by a fund valuation agent;
- costs incurred in modifying the Deeds for your benefit; and
- cost of convening and holding meetings of Unit holders (other than those meetings convened for our benefit or the benefit of the Trustees); and
- all costs, bank charges and expenses related to income distribution of the Funds; for example, postage and printing of all cheques, statements and notices to you.
- remuneration and out of pocket expenses of the person(s) undertaking the oversight functions of the Fund and/or the members of the Shariah committee or advisers (if any) of the Funds, unless we decide to bear the same;

Expenses not authorised by the Deeds must be paid by us or the respective Trustees out of our own funds if incurred for our own benefit.

- 2.2.4.** We and the Trustees are required to ensure that any fees or charges payable are reasonable and in accordance with the Deeds which stipulates the maximum rate in percentage terms that can be charged. All expenses of the Fund will generally be apportioned to each Class currently available for sale based on the MCR except for the Management Fee and those that are related to the specific Class only, such as, the cost of Unit holders meeting held in relation to the respective Class. Should the Fund invest into units of other CIS that are managed by us or our related corporation, we will ensure that all initial charges are waived and there is no double charging of management fees. You should consult your professional advisers for a better understanding.

Subject always to the provisions of the Deed and GUTF, we reserve our sole and absolute discretion without providing any reason whatsoever and at any time to amend, vary, waive and/ or reduce the fees and charges (except for the Trustee Fee), whether payable by the Fund or Class, payable by you to the Fund or Class or payable by any other investors to the Fund.

We may for any reason and at any time, waive or reduce: (a) any fees (except for the Trustee Fee); (b) other charges payable by you to the Funds; and/or (c) transactional values including but not limited to the units or amount, for any Unit holder and/or investments made via any distribution channels or platform.

2.3. REBATES AND SOFT COMMISSIONS

We, the Sub-Manager and the Trustees will not retain any form of rebate or otherwise share in any commission with, any broker or dealer in consideration for directing dealings in the investments of the Funds. Accordingly, any rebates or shared commission will be directed to the account of the Fund.

We and the Sub-Manager may retain goods and services (soft commission) provided by any broker or dealer if the following conditions are met:

- (a) the soft commission bring direct benefit or advantage to the management of the Fund and may include research and advisory related services;
- (b) any dealings with the broker or dealer is executed on terms which are the most favourable for the Funds; and
- (c) the availability of soft commissions is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and we or the Sub-Manager will not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions.

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

All fees and charges payable by you and/or the Funds are subject to any applicable taxes and/or duties as may be imposed by the government or other authorities (if any) from time to time. As a result of changes in any rule, regulation, directive, notice and/or law issued by the government or relevant authority, there may be additional cost to the fees, expenses, charges and/or taxes payable to and/or by the Funds and/or you as disclosed or illustrated in this Master Prospectus (Islamic Funds).

We have the discretion to amend the amount, rate and/or terms and conditions for the above-mentioned fees, charges, expenses, and/or transaction information from time to time, subject to the requirements stipulated in the Deeds. Where necessary, we will notify the Trustee and communicate to you and/or seek your approval on the amendments to the fees, charges, and transaction information.

3. TRANSACTION INFORMATION

3.1. VALUATION OF INVESTMENTS PERMITTED BY THE FUND

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

- **Listed Shariah-compliant securities**
The value of any Shariah-compliant permitted investments, which are quoted on an approved exchange, shall be calculated daily by reference to the last transacted price on that approved exchange. If the last transacted price does not represent the fair value of the securities, then the securities should be valued at fair price as determined in good faith by us, based on the methods or bases approved by the Trustee after appropriate technical consultation, such as the mean of bid and offer prices at the close of trading. Suspended Shariah-compliant securities will be valued at their last done price unless there is conclusive evidence to show that the value has gone below the suspended price or where the quotation of the securities has been suspended for a period exceeding fourteen (14) days or such shorter period as agreed by the Trustee, whereupon their fair value will be determined in good faith by us based on the methods or bases approved by the Trustee after appropriate technical consultation.
- **Unlisted Shariah-compliant securities**
The valuation of Shariah-compliant securities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing or quotation and are offered directly to the Fund by the issuer shall be valued daily at the issue price of such Shariah-compliant securities. The value will be determined by the financial institution that issued the securities.
- **Unlisted Sukuk**
The value of any unlisted MYR-denominated Sukuk shall be calculated on a daily basis using prices quoted by a bond pricing agency ("BPA") registered with the SC. Where such prices are not available or where the Manager is of the view that the price quoted by the BPA for a specific Sukuk differs from the market price by more than twenty (20) basis points, the Manager may use the market price by reference to the last available quote provided such quote was obtained within the previous thirty (30) days and the Manager records its basis for using a non-BPA price, obtained necessary internal approvals to use the non-BPA price and keeps an audit trail of all decisions and basis for adopting the market yield.

For iDY-APDE, DALI2, iLI-B, iLI-ES, and iLI-S, the value of any unlisted non-MYR-denominated Sukuk shall be calculated daily using prices quoted by ICE using its proprietary methodology. The Sukuk prices are calculated using prices contributed by financial institutions and other market inputs listed in approximate order of priority, include: benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data (e.g. corporate action announcements and ratings). Where the prices from ICE are not available on any business day, these Sukuk will be valued by reference to the average indicative yield quoted by three (3) independent and reputable financial institutions. However, where quotations are still not available, such unlisted non-MYR-denominated Sukuk will be valued daily at fair price determined in good faith by us, based on the methods or bases, which have been verified by the auditor of the Fund and approved by the Trustee.
- **Unlisted Islamic derivative instruments**
For unlisted Islamic derivative instruments, the Manager shall ensure that the valuation of the investment is valued daily at fair value as determination in good faith by the Manager, on methods and bases which have been verified by the auditor of the Fund and approved by the Trustee.
- **Islamic collective investment schemes**
The value of any investment in Islamic CIS which are quoted on an approved exchange shall be calculated daily in the same manner as other listed Shariah-compliant instruments described above. When investing in unlisted Islamic CIS, the value shall be determined daily by reference to the last published repurchase/redemption price for that Islamic CIS.
- **Islamic money market instruments**
Valuation of Islamic money market instruments such as negotiable instrument of deposits and commercial papers shall be valued by reference to the quotes provided by independent and reputable pricing source(s), which is deemed fair value, includes but not limited to Bond Pricing Agency ("BPA") registered by the SC. Where the quotes are provided by financial institutions, the valuation of the money market instruments will be based on the average of bid and offer prices quoted by three (3) independent and reputable financial institutions of similar standing at the close of trading. The valuation method is verified by the auditor and approved by the Trustee.
- **Islamic Deposits**
The value of Islamic Deposits shall be determined each day by reference to the principal value of such Shariah-compliant permitted investments and the profit accrued thereon for the relevant period.

If the value of the Fund's asset is denominated in a foreign currency, the assets are translated on a daily basis to MYR. Currently, the assets are translated using the bid foreign exchange rate quoted by either Refinitiv or Bloomberg, at UK 4:00 p.m. on the same day (Malaysian time 11:00 p.m. or 12:00 a.m.), or such other time as stipulated in the IMS.

3.2. UNIT PRICING

We adopt a single pricing method for any transactions (i.e. applications, withdrawals, switches and/or transfers) based on forward prices. This means that we will process your transactions request based on the NAV per unit at the next valuation point after we receive the completed relevant transaction forms from you.

If the transactions are made by 4:00 p.m. on a Business Day, we will process the transactions using the NAV per unit for that Business Day. For transactions made after 4:00 p.m., we will process the transactions using NAV per unit on the next Business Day.

For Class D

If the transactions are made by 1:00 p.m. on a Business Day, we will process the transactions using the NAV per unit on that the same Business Day. For transactions made after 1:00 p.m. on a Business Day, we will process the transactions using the NAV per unit on the next Business Day.

The valuation point of the Funds for a Business Day will depend on whether the portfolio consists of foreign investments.

For Funds without foreign investments:

We will carry out the valuation for the Classes for a Business Day at the end of that Business Day (T day). The NAV per unit for a Business Day is available on our website at www.principal.com.my after 10:00 a.m. on the following Business Day (T+1).

For Funds with foreign investments:

We will carry out the valuation for the Classes for a Business Day on the next Business Day (T+1) by 4:00 p.m. This is to cater for the currency translation of the foreign Shariah-compliant instruments or Shariah-compliant instruments to the Funds' base currency. Currently, the currency translation is based on the bid exchange rate quoted by Bloomberg or Refinitiv at UK time 4:00 p.m. on the same day (Malaysian time 11:00 p.m. or 12:00 a.m.), or such other time as stipulated in the IMS. The NAV per unit for a Business Day is available on our website at www.principal.com.my after 5:30 p.m. on the following Business Day (T+1).

Illustration (for Funds with foreign investments):

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

At the end of the Business Day on 4 April 2022, your units will be based on the NAV per unit on 4 April 2022, which will be calculated on 5 April 2022. The NAV per unit will be available on our website after 5:30 p.m. on 5 April 2022.

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

At the end of the Business Day on 4 April 2022, your units will be based on the NAV per unit on 5 April 2022, which will be calculated on 6 April 2022. The NAV per unit will be available on our website after 5:30 p.m. on 6 April 2022.

Illustration for Class D (with foreign investment):

For transaction request received by us by 1:00 p.m. on a Business Day

At the end of the Business Day on 4 April 2022, your units will be based on the NAV per unit on 4 April 2022, which will be calculated on 5 April 2022. The NAV per unit will be made known on our website after 5:30 p.m. on 5 April 2022.

For transaction request received by us after 1:00 p.m. on a Business Day

At the end of the Business Day on 4 April 2022, your units will be based on the NAV per unit on 5 April 2022, which will be calculated on 6 April 2022. The NAV per unit will be made known on our website after 5:30 p.m. on 6 April 2022.

Each Fund must be valued at least once for every Business Day except during the initial offer period. The method of determining NAV per unit is calculated as follows:

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

The NAV of the Fund is the sum of the value of all investments and cash held by the Fund (calculated in accordance with the Deeds) including income derived by the Fund which has not been distributed to our Unit holders, less all amounts owing or payable in respect of the Fund which also including any provisions that we and the Trustees consider should be made. For example, a provision may be made for possible future losses on an investment which cannot be fairly determined.

The valuation of the Fund is in the base currency i.e. MYR. The NAV per unit of each Class will be the NAV of the Fund attributable for each Class divided by the number of units in circulation of that Class, at the same valuation point.

3.2.1. Multi-class Ratio (MCR)

MCR is the apportionment of the NAV of each Class over the Fund's NAV based on the size of each Class. The MCR is calculated by dividing the NAV of the respective Class by the NAV of the Fund before income and expenses for the day. The apportionment is expressed as a ratio and calculated as a percentage.

Below is an illustration on computation of the NAV of the Fund:

Fund	Class ABC (for e-Wallet App user)	Class XYZ
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	(MYR)	(MYR)	(MYR)
NAV of the Fund before income and expenses	185,942,897.00	173,335,968.58	12,606,928.42
% MCR	100.00%	93.22%	6.78%
Add: Income	30,000.00	27,966.00	2,034.00
Less: Expenses	(10,000.00)	(9,322.00)	(678.00)
NAV of the Fund before Management and Trustee Fee	185,962,897.00	173,354,612.58	12,608,284.42
Less: Management Fee	(2,292.69)	(2,137.25)	(155.44)
Less: Trustee Fee	(152.84)	(142.48)	(10.36)
NAV of the Fund	185,960,451.47	173,352,332.85	12,608,118.62
Units in circulation	182,364,307.0022	170,000,000.3467	12,364,306.6555
NAV per unit		1.0197	1.0197

	Fund	Class ABC (for e-Wallet App user)	Class XYZ
NAV of the Fund before creation of units for the day (MYR)	185,960,451.47	173,352,332.85	12,608,118.62
⁽³⁾ Net subscription amount (MYR)	2,000,000.00	1,000,000.00	1,000,000.00
Closing NAV (MYR)	187,960,451.47	174,352,332.85	13,608,118.62
Units in circulation	184,325,668.1868	170,980,680.9390	13,344,987.2478
NAV per unit (MYR)		1.0197	1.0197

Note :

⁽¹⁾ MCR computation

	Class ABC (for e-Wallet App user) (MYR)	Class XYZ (MYR)
<u>NAV of the Class x 100</u>	<u>173,335,969.58 x 100</u>	<u>12,606,928.42 x 100</u>
NAV of the Fund before income and expenses	185,942,897.00	185,942,897.00
	=	=
	93.22%	6.78%

⁽²⁾ Apportionment based on MCR is as follows:

	(MYR)	Class ABC (for e-Wallet App user) (MYR)	Class XYZ (MYR)
Add: Income	30,000	MCR x Income	MCR x Income
		= Income for Class ABC	= Income for Class XYZ
		= 93.22% x MYR 30,000.00	= 6.78% x MYR 30,000.00
		= MYR 27,966.00	= MYR 2,034.00
Less: Expenses	(10,000)	MCR x Expenses	MCR x Expenses
		= Expenses for Class ABC	= Expenses for Class XYZ
		= 93.22% x MYR 10,000.00	= 6.78% x MYR 10,000.00
		= MYR 9,322.00	= MYR 678.00

⁽³⁾Net subscription amount

	Class ABC (for e-Wallet App user)	Class XYZ
Net subscription amount (MYR)*	1,000,000	1,000,000
NAV per unit (MYR)	1.0197	1.0197
Number of units	980,680.5923	980,680.5923

* Subscription amount net of any withdrawal amount.

Note: Please note that the above is for illustration purpose only. NAV per unit is truncated to four (4) decimal places.

3.2.2. Calculation of investment amount and units entitlement

The calculation below is for illustration only and does not represent the actual percentage or amount that you may incur in each Class.

Illustrations:

Calculation of number of units received, Application Fee and total amount paid by you

Assumptions:

NAV per unit of Class XYZ denominated in MYR = MYR0.5000 (truncated to 4 decimal places)
Application Fee = 5.50%
You wish to invest MYR10,000 in the Fund.

Calculation of total number of units that you will receive*

= Investment amount / NAV per unit
= MYR10,000 / MYR0.5000
= 20,000 units

Calculation of Application Fee[#] that you will incur (payable in addition to the investment amount)

= NAV per unit of Class XYZ x number of units received x Application Fee rate
= MYR0.5000 x 20,000 units x 5.50%
= MYR550.00

Calculation of total amount that you will have to pay

= Investment amount + Application Fee paid
= MYR10,000 + RM550
= MYR10,550.00

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

[#] The Application Fee imposed will be rounded to two (2) decimal places.

Calculation of investment value

Assuming you have 20,000 units Class XYZ of the Fund and the NAV per unit for the Business Day is MYR0.5110 (truncated to 4 decimal places).

Calculation of investment value

= Number of units x NAV per unit of Class XYZ
= 20,000 units x MYR0.5110
= MYR10,220.00

Calculation of withdrawal value and amount payable to you

Assuming you request for a 10,000 units withdrawal. Your withdrawal request is received by us by 4:00 p.m. or 1:00 p.m. (for Class D) on a Business Day. NAV per unit of Class XYZ for that Business Day is MYR0.5230 (truncated to 4 decimal places).

Calculation of amount payable to you

= Number of units withdrawn x NAV per unit of Class XYZ
= 10,000 units x MYR0.5230
= MYR5,230.00

3.3. INCORRECT PRICING

We shall take immediate remedial action to rectify any incorrect valuation and/or pricing of the Class or units of the Class. Where such error has occurred, we shall reimburse the money in the following manner:

- (a) in the event of over valuation and/or pricing, we shall reimburse:
 - (i) the Class for any withdrawal of units; and/or
 - (ii) you, if you have purchase units of the Class at a higher price; or
- (b) in the event of under valuation and/or pricing, we shall reimburse:
 - (i) the Class for any subscription of units; and/or
 - (ii) you, if you have withdraw units of the Class at a lower price.

Notwithstanding the above, unless the Trustee otherwise directs, we shall make the reimbursement, only where an incorrect pricing:

- (i) is equal to or more than 0.50% of the NAV per unit; and
- (ii) results in a sum total of MYR10.00 (or in the case of a foreign currency Class, 10.00 denominated in the foreign currency denomination of the Class) or more to be reimbursed to a Unit holder for each sale or withdrawal transaction.

We shall have the right to amend, vary or revise the abovesaid limits from time to time subject to any regulatory or governing body's requirements.

3.4. INVESTING

3.4.1. Who can invest?

You are eligible to invest in the Funds if you are:

- an individual who is at least eighteen (18) years of age and you are not an undischarged bankrupt with a bank account (or foreign currency bank account, as the case may be) in the currency of the Class applied for (e.g. Class USD investors are required to have a USD bank account). As an individual investor, you may also opt to invest in joint names (i.e. as a joint Unit holder and both applicants must be at least eighteen (18) years of age).
- an institution including a company, corporation, co-operative, trust or pension fund with a bank account (or foreign currency bank account, as the case may be) in the currency of the Class applied for (e.g. Class USD investors are required to have a USD bank account).
- For Class D, you must be an individual who is at least eighteen (18) years of age and have an account in the e-Wallet App and fulfil the requirements therein.

Notwithstanding the above, we have the right to accept or reject any application in whole or in part thereof without assigning any reason in respect thereof.

Further, if we are aware of a USA person (i.e. someone who has a USA address (permanent or mailing)) or USA entity (i.e. a corporation, trust, partnership or other entity created or organised in or under the laws of the United States or any state thereof or any estate or trust the income of which is subject to United States Federal Income Tax regardless of source) holding units in the Fund, we may issue a notice to that person requiring him/her to, within thirty (30) days, either withdraw his/her units or transfer his/her units to a non-USA person or non-USA entity.

We also have the right to withdraw all units held by you in the event we are of the opinion that such withdrawal is necessary to ensure that we comply with any relevant laws, regulations and guidelines. We will first notify you before making any such compulsory withdrawal of your units.

3.4.2. How to invest?

You may invest through any of our Distributors, Principal Malaysia's office, e-Wallet App or such other method as we may advise from time to time after completing the relevant application and attaching a copy of your identity card, passport or any other identification document (where applicable). We may request for additional supporting document(s) or information from you. Your application should indicate clearly the amount you wish to invest in the Fund. We may introduce other mode of investment from time to time, subject to the approval of the relevant authorities.

You may make a payment:

- by crossed cheque, banker's draft, or cashier's order (made payable as advised by us or our Distributors as the case may be). You will have to bear the applicable bank fees and charges, if any; or
- directly from your bank account held with us or Distributors, where applicable; or
- directly with your monies in the e-Wallet App. Kindly ensure that your e-Wallet has enough balance for your investment. Please also note that there may be a limit to your e-Wallet balances; or
- directly from your bank account through wire transfer facility offered in the e-Wallet App (subject to any limit prescribed by the wire transfer facility provider); or
- by such other mode of payment that we and/or the relevant authorities may approve from time to time.

Any charges, fees and expenses incurred in facilitating such mode of payment shall be borne by you. Such mode of payment is subject to further limit(s), restriction(s) and/or terms and conditions that we and/or the relevant authorities may impose from time to time.

3.4.3. Regular Savings Plan (RSP)

Where available, the RSP allows you to make regular monthly investments, directly from your account held with a bank approved by us or our Distributors. We will process the monthly investments made via the RSP when we receive your application and/or your monthly contribution. You can also arrange a standing instruction with our Distributors to invest a pre-determined amount in the Class each month. You can cancel your RSP at any time by providing written instructions to the relevant Distributors to cancel your standing instruction.

3.4.4. Can the units be registered in the name of more than one (1) Unit holder?

We may register units in the name of more than one (1) Unit holder but we have the discretion not to allow registration of more than two (2) joint Unit holders, joint account is not available for Class D. All applicants must be at least eighteen (18) years of age.

In the event of the demise of a joint Unit holder, whether Muslim or non-Muslim, only the surviving joint Unit holder will be recognized by the Trustee and the Manager as having ownership to such unit. The Manager or Trustee may require such necessary evidence proving the death of the Unit holder. His/her units will be dealt with in accordance with the Deed and applicable laws and regulations.

3.4.5. Who is distributing these Funds?

The Funds may be distributed via the following channels:

- Principal Malaysia's offices;
- Principal Distributors;
- IUTAs; and
- such other channels as we may decide from time to time.

You may invest into the Funds via us, any of our Distributors or such other channels (where available). Please refer to the "Distributors of the Fund" chapter for further details. Please note that we have the discretion in determining the Distributors of the Fund, including its appointment and/or termination from time to time. You may contact our Customer Care Centre under the "Corporate Directory" section or refer to our website at www.principal.com.my for more information.

You should not make payment in cash to any individual agent or employee of Principal Malaysia or issue a cheque in the name of any individual agent or employee of Principal Malaysia when purchasing units of a fund.

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

3.5. MINIMUM INVESTMENTS

The minimum initial and additional investment for each Class is stipulated in the table below.

Funds	Class	Minimum initial investment [#] (MYR)	Minimum additional investment [#] (MYR)	Regular Savings Plan (RSP)	
				Minimum initial investment [#] (MYR)	Minimum additional investment [#] (MYR)
Equity Funds					
Principal DALI Equity Growth Fund	MYR	500	200	500	200
Principal DALI Equity Fund	MYR	500	200	500	200
Principal Islamic Malaysia Opportunities Fund	MYR	500	200	500	200
Principal DALI Asia Pacific Equity Growth Fund	MYR	500	200	500	200
Principal Islamic Enhanced Opportunities Fund	MYR	500	200	500	200
Principal Islamic Small Cap Opportunities Fund	MYR	500	200	500	200
Principal Islamic Asia Pacific Dynamic Equity Fund	MYR	500	200	500	200
	D	10	10	10	10
Mixed Asset Funds					
Principal Islamic Lifetime Balanced Fund	MYR	500	200	500	200

Funds	Class	Minimum initial investment [#] (MYR)	Minimum additional investment [#] (MYR)	Regular Savings Plan (RSP)	
				Minimum initial investment [#] (MYR)	Minimum additional investment [#] (MYR)
Principal Islamic Lifetime Balanced Growth Fund	MYR	500	200	500	200
Sukuk Funds					
Principal Islamic Lifetime Enhanced Sukuk Fund	MYR	2,000	500	2,000	500
	D	10	10	10	10
Principal Islamic Lifetime Sukuk Fund	MYR	2,000	500	2,000	500

[#] The amount includes any applicable fees and charges, such as application fee (if any), which are subject to any applicable taxes.

Note:

We reserve our sole and absolute discretion without providing any reason whatsoever and at any time to accept, reject, amend, vary, waive and/or reduce (as the case maybe): (i) your request for a lower amount or number of units when purchasing units (or additional units) or withdrawing units; and/or (ii) the minimum balance. For increase in the number of units for minimum withdrawal and minimum balance, we will require concurrence from the Trustee and you will be notified of such changes.

We may for any reason and at any time, waive or reduce: (a) any fees (except for the Trustee Fee); (b) other charges payable by you to the Funds; and/or (c) transactional values including but not limited to the units or amount, for any Unit holder and/or investments made via any distribution channels or platform.

The minimum initial investment for EPF-MIS shall be RM1,000 or such other amount as determined by EPF or as per the amount stated above, whichever is higher. Please note that there may be changes to the status of the eligibility of the Fund under the EPF-MIS from time to time. Please refer to our website at www.principal.com.my or www.kwsp.gov.my for updated information.

3.5.1. Processing an application

If we receive and accepted a complete application by 4:00 p.m. or 1:00p.m. (for Class D) on a Business Day, we will process it using the NAV per unit for that Business Day. If we receive and accepted the application after 4:00 pm. or 1:00p.m. (for Class D) on a Business Day, we will process it using the NAV per unit for the next Business Day. We will only process complete applications, i.e. when we have received all the necessary and required information and/or documentations. The number of units you receive will be rounded to two (2) decimal places.

For transaction through e-Wallet App, the processing of your application request is subject to you providing all required information to us through the e-Wallet App and the transfer of monies into the Fund's account. Failure to complete the application process in the e-Wallet App by you or non-receipt of the application request by us will cause the application request to be cancelled automatically. We will pay back your monies on next Business Day on a best effort basis, subject to system availability. If you wish to re-apply, you will have to re-initiate the application process through the e-Wallet App.

3.6. MINIMUM WITHDRAWALS AND MINIMUM BALANCE

The minimum withdrawals and minimum balance for the each Class are stipulated in the table below, unless you are withdrawing your entire investment. You may withdraw by completing a withdrawal application and submit to the relevant Distributor, Principal Malaysia's office, e-Wallet App or such other channel (where available). There is no restriction on the frequency of withdrawals. We will transfer the withdrawal proceeds to the bank account number provided by you or through e-wallet with the e-Wallet Provider (where available). Please note that for EPF-MIS, your withdrawal proceeds will be paid to EPF.

Funds	Class	Minimum withdrawal	Minimum balance (units)
Equity Funds			
Principal DALI Equity Growth Fund	MYR	200 units	250
Principal DALI Equity Fund	MYR	200 units	250
Principal Islamic Malaysia Opportunities Fund	MYR	800 units	1,000
Principal DALI Asia Pacific Equity Growth Fund	MYR	400 units	500
Principal Islamic Enhanced Opportunities Fund	MYR	200 units	250
Principal Islamic Small Cap Opportunities Fund	MYR	400 units	500
Principal Islamic Asia Pacific Dynamic Equity Fund	MYR	400 units	500
	D	MYR 10	10
Mixed Asset Funds			

Funds	Class	Minimum withdrawal	Minimum balance (units)
Principal Islamic Lifetime Balanced Fund	MYR	400 units	500
Principal Islamic Lifetime Balanced Growth Fund	MYR	400 units	500
Sukuk Funds			
Principal Islamic Lifetime Enhanced Sukuk Fund	MYR	500 units	1,000
	D	MYR 10	10
Principal Islamic Lifetime Sukuk Fund	MYR	500 units	1,000

Note:

- There is no exit and re-entry option.
- Withdrawal is subject to the minimum balance being maintained.
- We reserve our sole and absolute discretion without providing any reason whatsoever and at any time to accept, reject, amend, vary, waive and/or reduce (as the case maybe): (i) your request for a lower amount or number of units when purchasing units (or additional units) or withdrawing units; and/or (ii) the minimum balance. For increase in the number of units for minimum withdrawal and minimum balance, we will require concurrence from the Trustee and you will be notified of such changes.
- We may for any reason and at any time, waive or reduce: (a) any fees (except for the Trustee Fee); (b) other charges payable by you to the Funds; and/or (c) transactional values including but not limited to the units or amount, for any Unit holder and/or investments made via any distribution channels or platform.

3.6.1. Processing a withdrawal

If we receive a complete withdrawal request by 4:00 p.m. or 1:00p.m. (for Class D) on a Business Day, we will process it using the NAV per unit for that Business Day. If we receive the withdrawal request after 4:00 p.m. or 1:00p.m. (for Class D) on a Business Day, we will process using the NAV per unit for the next Business Day (T+1).

The amount that you will receive is calculated by the withdrawal value less the Withdrawal Fee, if any. You will be paid in the currency of the Class (e.g. Class MYR will be paid in MYR) within seven (7) Business Days upon our receipt of the complete withdrawal request. You will have to bear the applicable bank fees and charges, if any. If the balance (i.e. number of units) of your investment drops below the minimum balance stipulated above, further investment will be required until the balance of the investment is restored to at least the stipulated minimum balance.

For more information on Class D, you may refer to the frequently asked questions and terms and conditions which are available on the e-Wallet App. Alternatively, you may contact our Customer Care Centre under the “Corporate Directory” section or the e-Wallet Provider to understand the service and their terms and conditions.

For **ILI-S** and **ILI-ES**, if the Fund’s total withdrawal amount is fifteen percent (15%) or more of the total NAV of the Fund for a Business Day, we will pay you within twelve (12) Business Days from the day we receive the completed written withdrawal notice. The twelve (12) Business Days includes the fund manager to negotiate and liquidate the Sukuk at the most favourable price on Sukuk to fulfil large withdrawal amount in which the fund manager will process within five (5) Business Days. Subsequently, payment will be made to you after the Fund have sufficient cash and liquid asset within seven (7) Business Days.

For **IOP-SCO**, if the Fund’s total withdrawal amount is fifteen percent (15%) or more of the total NAV of the Fund for a Business Day, we will pay to you within twelve (12) Business Days from the day we receive the complete written withdrawal notice. The twelve (12) Business Days includes the fund manager to liquidate the securities at the most favourable price to fulfil large withdrawal amount given that the small cap stocks which have lower liquidity in nature. Subsequently, payment will be made to you after the Fund have sufficient cash and liquid asset within seven (7) Business Days.

For details, please refer to “Approvals and Conditions” chapter on page 29.

3.7. COOLING-OFF PERIOD

For first time individual investor investing with us, you have six (6) Business Days after your initial investment (i.e. from the date the completed application is received and accepted by us or any of our Distributors) to reconsider its appropriateness and suitability for your investment needs. Within this period, you may withdraw your investment at the same NAV per unit when the units were purchased or prevailing NAV per unit at the point of cooling-off (whichever is lower) (“Refund Amount”). We will pay the Refund Amount including the Application Fee (if any) to you in the currency of the respective Class within seven (7) Business Days from the date we receive the complete documentations. Please note that the cooling-off right is only given to first time investor investing with us or our Distributors. However, Principal Malaysia’s staff and person(s) registered with a body approved by the SC to deal in unit trust funds are not entitled to the cooling-off right.

For transaction through e-Wallet App, cooling-off right is not applicable if you have withdrawn all or parts of your investment from Class D either to your e-Wallet or your bank account. Request for cooling-off can be made directly through Principal Malaysia and/or through the e-Wallet App (where available).

If the Fund is an EPF-MIS approved fund and you have invested via EPF-MIS, your cooling-off right is subject to EPF's terms and conditions.

3.8. SWITCHING

Where available, we process a switch between the Classes of the Fund or between a Class and other Principal Malaysia's fund (or its classes) which should be denominated in the same currency. You may contact our Customer Care Centre under the "Corporate Directory" section for more information on the availability of switching. The switching is based on the value of your investments in the Class, at the point of exercising the switch.

Switching will be conducted based on the value of your investment in the Class. The minimum amount for a switch is subject to:

- For switching out of the Class:
 - the minimum withdrawal applicable to the Class;
 - the minimum balance required for the Class, unless you are withdrawing from the Class in entirety; and
 - the Withdrawal Fee of the Class (if any).
- For switching into the Class:
 - the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Class; and
 - the Switching Fee applicable for the proposed switch (if any).

To switch, simply complete a switch application and send to our Distributors, Principal Malaysia's office, e-Wallet App (where available), or such other channel. Currently, there is no restriction on the frequency of switches. However, we have the discretion to allow or to reject any switching into (or out of) the Fund or Class, either generally (for all investors) or specifically (for any particular investor, a group of investors or investments made via any digital platform).

For more information on Class D, you may refer to the frequently asked questions and terms and conditions which are available on the e-Wallet App. Alternatively, you may contact our Customer Care Centre under the "Corporate Directory" section or the e-Wallet Provider to understand the service and their terms and conditions.

We may for any reason and at any time, waive or reduce: (a) any fees (except for the Trustee Fee); (b) other charges payable by you in respect of the Funds; and/or (c) transactional values including but not limited to the units or amount, for any Unit holder and/or investments made via any distribution channels or platform.

Note: *Switching into another fund is ultimately at the investor's personal choice and option. However, Muslim investors are encouraged to switch into any other Islamic fund rather than into any other conventional fund as it is not permitted from the Shariah perspective.*

3.8.1. Processing a switch

Where available, we process a switch as a withdrawal from one fund or class and an investment into another fund or class within Principal Malaysia's funds. If we receive a complete switch request by 4:00 p.m. or 1:00p.m. (for Class D) on a Business Day, we will process the switch-out using the NAV per unit for that Business Day. If we receive the request after 4:00 p.m. or 1:00 p.m. (for Class D) on a Business Day, the switch-out will be processed using the NAV per unit of the Class for the next Business Day.

However, you should note that switch-in may be processed at a later Business Day, generally within one (1) to four (4) Business Days.

3.9. TRANSFER FACILITY

Where available, you may transfer your units to another investor subject to terms and conditions as may be stipulated in the respective Deeds. A Transfer Fee of not more than MYR50.00 may be charged for each transfer. However, we may refuse to register a transfer of unit at our absolute discretion.

3.10. TEMPORARY SUSPENSION

Subject to the requirements in the GUTF and/or the Deed, we and the Trustee may temporarily suspend the dealing in units of the Fund or Class when there is good and sufficient reason to do so.

To avoid suspension of the Fund, the Fund will hold adequate liquid assets and if the liquid assets are insufficient to meet redemption requests, we will either liquidate the investments of the Fund or seek temporary financing, considering which is in the best interests of Unit Holders. Before carrying out any suspension of the Fund after we have taken all considerations under liquidity risk management framework, we will ensure that we have exhausted all possible avenues to avoid a suspension of the Fund, and only as a last resort, and in consultation with the Trustee and having considered the interests of the Unit Holders, suspend the sale (if applicable) and repurchase of Units where it is impractical for us to calculate the NAV of the Fund when material portion of the asset of the Fund is affected due to but not limited to the following:

- (i) the closure of a securities exchange or trading restrictions in the securities exchange; or

- (ii) an emergency or other state of affairs; or
- (iii) the declaration of a moratorium in a country where that Fund has assets; or
- (iv) for the purpose of conversion of any currency, a closure or restrictions on trading in the relevant foreign market exchange; or
- (v) the realisation of the assets of the Fund not being able to be effected at prices which are fair to the Fund and/or within a reasonable period as a result of an unstable or disorderly market.

Please note that during the suspension period, there will be no NAV per unit available and hence, we will not accept any transactions for the applications, withdrawals, switches and/or transfers of units. If we have earlier accepted your request for applications, withdrawals, switches, and/or transfers of units before the suspension is declared, please note that your request will only be processed on the next Business Day after the cessation of suspension of the Fund. You will also be notified of the suspension and when the suspension is lifted. In such case, you will not be able to redeem your units and will be compelled to remain invested in the Fund for a longer period of time than original timeline. Hence, your investments will continue to be subjected to the risks inherent to the Fund (please refer to the “Risk Factors” section).

3.11. DISTRIBUTION PAYMENT

Depending on the distribution policy of the respective Class, distribution (if any) will be made at the end of each distribution period to the Class(es) according to its distribution policy. Each unit of the Class will receive the same distribution for a distribution period regardless of when those units were purchased. The distribution amount you will receive is calculated by multiplying the total number of units held by you in the Class with the distribution amount in cent per unit. On the distribution date, the NAV per unit will adjust accordingly. For more information on the distribution policy of each Class, please see the respective Fund under “Funds information” chapter.

All distributions (if any) will be automatically reinvested into additional units in the Class at the NAV per unit of the Class on the distribution date (the number of units will be rounded to two (2) decimal places), unless written instructions to the contrary are communicated to us in which you should have first furnished us with details of your valid and active bank account in the currency denomination of that Class, that all distribution payment shall be paid into (the cost and expense will be borne by you). No Application Fee is payable for the reinvestment.

If units are issued as a result of the reinvestment of a distribution or other circumstance after you have withdrawn your investment from the Class, those additional units will then be withdrawn and the proceeds will be paid to you.

You should note that distribution payments, if any, will be made in the respective currency for the Class(es). As such, the distribution amount may be different for each Class as a result of exchange rate movement between the base currency of the Fund and the denominated currency of the Class(es). The distribution will be paid into your bank account (which shall be in the respective currency of the Class(es)) in our records (at your cost and expense).

IOP-EO and iLI-BG may distribute from realised income, realised capital gains, unrealised income, unrealised capital gains, capital or combination of any of the above. Distributions are at our discretion and are not guaranteed, and the making of any distribution does not imply that further distributions will be made and we reserve the right to vary the frequency and/or amount of distributions. Distribution out of capital is to allow the Fund the ability to distribute more income or to pursue the investment strategy of the Fund. The effects of making distribution out of capital has a risk of eroding the capital of the Fund.

Distribution out of capital is subject to the following:

- (a) for the purpose of managing the fund more efficiently;
- (b) to reduce the cost incurred in buying and selling of shares;
- (c) stability and sustainability of distribution of income;
- (d) cash flow for distribution; and
- (e) taking into consideration the level of capital and performance of the fund.

Distribution out of capital represent a return or withdrawal of part of the amount of your original investment and/or capital gains attributable to the original investment and will result in a reduction in the NAV per Unit of the Classes and reduce the capital available for future investment and capital growth. Future capital growth may therefore be constrained and the value of future returns would be diminished.

Note: Please note that for Class(es) that provide distribution, we have the right to make provisions for reserves in respect of distribution of the Class. If the income available is too small or insignificant, any distribution may not be of benefit to you as the total cost to be incurred in any such distribution may be higher than the amount for distribution. We have the discretion to decide on the amount to be distributed to you. We also have the discretion to make income distribution on an ad-hoc basis, taking into consideration the level of its realised income and/or realised gains, as well as the performance of the Funds.

3.12. UNCLAIMED MONEYS

Any moneys payable to you which remain unclaimed after twelve (12) months as prescribed by Unclaimed Moneys Act 1965 (“UMA”), will be surrendered to the Registrar of Unclaimed Moneys by us in accordance with the requirements of the UMA. Thereafter, all claims need to be made by you with the Registrar of Unclaimed Moneys.

For income distribution payout to you by cheque, if any, which remains unclaimed for six (6) months will be reinvested into the Class within thirty (30) Business Days after the expiry of the cheque’s validity period based on the prevailing NAV per unit on the

day of the reinvestment provided that you still hold units of the Class. As for income distribution payout to you by bank transfer, if any, which remained unsuccessful and unclaimed for six (6) months, it will be reinvested into the Class within thirty (30) Business Days after the six (6) months period based on the prevailing NAV per unit on the day of the reinvestment provided that you still holds units of the Class. No Application Fee is payable for the reinvestment. In the event that you no longer hold any unit in the Class, the distribution money would be subject to the same treatment mentioned in the above paragraph as prescribed by the UMA.

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

We have the discretion to amend the amount, rate and/or terms and conditions of the transaction information herein, subject to the requirements stipulated in the respective Deeds. Where necessary, we will notify the Trustee and communicate to you on the amendments to the transaction information.

4. ADDITIONAL INFORMATION

4.1. FINANCIAL YEAR-END

		Financial Year End
Equity Funds	Principal DALI Equity Growth Fund	31 May.
	Principal DALI Equity Fund	31 May.
	Principal Islamic Malaysia Opportunities Fund	28 February.
	Principal DALI Asia Pacific Equity Growth Fund	31 October.
	Principal Islamic Enhanced Opportunities Fund	31 December.
	Principal Islamic Small Cap Opportunities Fund	31 May.
	Principal Islamic Asia Pacific Dynamic Equity Fund	30 April.
Mixed Asset Funds	Principal Islamic Lifetime Balanced Fund	30 September.
	Principal Islamic Lifetime Balanced Growth Fund	31 December.
Sukuk Funds	Principal Islamic Lifetime Enhanced Sukuk Fund	31 March.
	Principal Islamic Lifetime Sukuk Fund	31 August.

4.2. INFORMATION ON YOUR INVESTMENT

We will send you the following:

- Your Principal Malaysia investor number;
- Confirmation on all your transactions and distributions (if any);
- Confirmation on any changes to your address if you have written to us to make the changes;
- Quarterly statement showing details of your transactions and distributions (if any);
- For Class D, monthly statement showing details of your transactions and distributions (if any); and
- Interim and audited annual report showing snapshots of the Fund and details of the portfolio for the respective period reported. Both the interim report and the audited annual report will be sent to you within two (2) months of the end of the period reported.

The Fund's printed annual report is available upon request.

In the case of joint Unit holders, all correspondences and payments will be made and sent to the first registered Unit holder.

Please take note that if you have invested through an IUTA via a nominee system of ownership, you would not be deemed as a Unit holder under the Deed. As such, you may obtain the above-mentioned information from that IUTA.

You may obtain up-to-date fund information from our monthly fund fact sheets and our website, www.principal.com.my.

If you have any questions about the information in this Master Prospectus (Islamic Funds) or would like to know more about investing in the Principal Malaysia family of unit trust funds, please contact our **Customer Care Centre under the "Corporate Directory" section** during our business hour between 8:45 am to 5:45 pm (Malaysian time) from Mondays to Fridays.

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

Principal Asset Management Berhad
Customer Care Centre
Ground Floor Bangunan CIMB
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur, MALAYSIA

4.3. DEEDS

This table describes the Deeds governing the Funds.

	Deeds
Equity Funds	<ul style="list-style-type: none"> • Master Deed dated 15 May 2008 • First Supplemental Master Deed dated 26 May 2008 • Second Supplemental Master Deed dated 5 June 2008 • Third Supplemental Master Deed dated 25 June 2008 • Fourth Supplemental Master Deed dated 25 June 2008
Mixed Asset Funds	<ul style="list-style-type: none"> • Fifth Supplemental Master Deed dated 25 June 2008 • Sixth Supplemental Master Deed dated 14 July 2008 • Seventh Supplemental Master Deed dated 19 November 2008 • Eighth Supplemental Master Deed dated 26 December 2008 • Ninth Supplemental Master Deed dated 21 April 2009
Sukuk Funds	<ul style="list-style-type: none"> • Tenth Supplemental Master Deed dated 23 July 2009 • Eleventh Supplemental Master Deed dated 1 December 2009 • Twelfth Supplemental Master Deed dated 14 June 2010 • Thirteenth Supplemental Master Deed dated 23 February 2012 • Fourteenth Supplemental Master Deed dated 26 June 2012 • Fifteenth Supplemental Master Deed dated 21 September 2012 • Sixteenth Supplemental Master Deed dated 19 March 2015 • Seventeenth Supplemental Master Deed dated 25 March 2015 • Eighteenth Supplemental Master Deed dated 29 April 2015 • Nineteenth Supplemental Master Deed dated 18 June 2019 • Twentythird Supplemental Master Deed dated 27 June 2022 • Twentyfourth Supplemental Master Deed dated 20 September 2022

4.4. DOCUMENTS AVAILABLE FOR INSPECTION

You may inspect the following documents or copies thereof in relation to the Funds (upon request) at our principal place of business and/or at the business address of the Trustees (where applicable) without charge:

- The Deed;
- This Master Prospectus (Islamic Funds) and its supplementary or replacement prospectus, if any;
- The latest annual and interim reports of the Funds, which includes the audited financial statements of the Fund (where available) for the current financial year and for the last three (3) financials years or if less than three (3) years, from the date of launch of the Funds;
- Material contracts or documents disclosed in this Master Prospectus (Islamic Funds);
- The audited financial statements of the Manager for the current financial year and for the last three (3) financials years or if less than three (3) years, from the date of incorporation or commencement;
- Any report, letter or other document, valuation and statement by any expert, any part of which is extracted or referred to in this Master Prospectus (Islamic Funds);
- Writ and relevant cause papers for all material litigation and arbitration disclosed in this Master Prospectus (Islamic Funds); and
- Consent given by experts disclosed in this Master Prospectus (Islamic Funds), if any.

4.5. CONSENT

Ernst & Young Tax Consultants Sdn. Bhd., Maybank Trustees Berhad, AmanahRaya Trustees Berhad, HSBC (Malaysia) Trustee Berhad, MTrustee Berhad, Universal Trustee (Malaysia) Berhad, Principal Asset Management (S) Pte. Ltd. and Amanie Advisors Sdn Bhd have given their written consent to act in their respective capacity. They have also given their consent for the inclusion of their names and/or statements and/or reports in this Master Prospectus (Islamic Funds) in the form and context in which it appears and have not subsequently withdrawn their consent to the inclusion of their names, statements and/or reports in the form and context in which it appears in this Master Prospectus (Islamic Funds).

4.6. POTENTIAL CONFLICTS OF INTERESTS AND RELATED PARTY TRANSACTIONS

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

We shall not act as principal in the sale and purchase of any securities or investments to and from the Funds. We shall not make any investment for the Funds in any securities, properties or assets in which we or our officer has financial interest in or from which we or our officer derives a benefit, unless with the prior approval of the Trustee. We (including our directors) who hold substantial shareholdings or directorships in public companies shall refrain from any decision making relating to that particular investment of the Funds.

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

We generally discourage cross trades and prohibit any transactions between client(s) accounts and fund accounts. Any cross trade activity require prior approval with the relevant supporting justification(s) to ensure the trades are executed in the best interest of both funds and such transactions were executed at arm's length. Cross trades will be reported to the person(s) or members of a committee undertaking the oversight function of the Fund to ensure compliance to the relevant regulatory requirements

E-Wallet Provider and Distributor may be our related party. We will ensure that any arrangement made with the e-Wallet Provider and Distributors will be at arm's length.

Trustee

As the trustees and service providers for all Funds, there may be related party transaction involving or in connection with the Funds in the following events:

- 1) where a Fund invests in instruments offered by the related party of the Trustees (i.e. placement of moneys, structured products, etc.);
- 2) where a Fund is being distributed by the related party of the Trustees as IUTA;
- 3) where the assets of a Fund are being custodised by the related party of the Trustees both as sub-custodian and/or global custodian of the Fund (Trustees' delegate); and
- 4) where a Fund obtains financing as permitted under the GUTF, from the related party of the Trustees.

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

Subject to any local regulations, the Trustees and/or their related group of companies may deal with each other, the Funds or any Unit holder or enter into any contract or transaction with each other, the Funds or any form of such contract or transaction or act in the same and similar capacity in relation to any other scheme.

4.7. INTERESTS IN THE FUNDS

Subject to any legal requirement, we or any of our related corporation, or any of our officers or directors, may invest in the Funds. Our directors will receive no payments from the Funds other than distributions that they may receive as a result of investment in the Funds. No fees other than the ones set out in this Master Prospectus (Islamic Funds) have been paid to any promoter of the Funds, or the Trustees (either to become a trustee or for other services in connection with the Funds), or us for any purpose.

4.8. EMPLOYEES' SECURITIES DEALINGS

We have in place a policy contained in our Personal Account Dealing Policy, which regulates its employees' securities dealings. All of our employees are required to declare their securities trading annually to ensure that there is no potential conflict of interest between the employees' securities trading and the execution of the employees' duties to us and our customers.

5. THE MANAGER

5.1. ABOUT PRINCIPAL ASSET MANAGEMENT BERHAD

Principal Malaysia was incorporated on 13 June 1994 and is a joint venture between PFG and CIMB Group. Principal Malaysia has experience operating unit trust funds since 1994.

The primary roles, duties and responsibilities of Principal Malaysia as the manager of the Funds include:

- maintaining a register of Unit holders;
- implementing the appropriate investment strategies to achieve the Funds' investment objectives;
- ensuring that the Funds have sufficient holdings in liquid assets;
- arranging for the sale and repurchase of units;
- calculating the amount of income to be distributed to Unit holders, if any; and
- maintaining proper records of the Funds.

As at LPD, there is no litigation or arbitration proceeding current, pending or threatened against or initiated by Principal Malaysia nor are there any facts likely to give rise to any proceedings which might materially affect the business/financial position of Principal Malaysia.

5.1.1. The name and designation of each of the directors can be found in our website at www.principal.com.my/en/about-us/leadership.

5.1.2. Designated person responsible for fund management function

Name:	Patrick Chang Chian Ping
Designation:	Chief Investment Officer, Malaysia & Chief Investment Officer, Equities, ASEAN Region
Experience:	He was appointed as the Chief Investment Officer on 22 February 2016. He comes with an extensive 20 years of experience in asset management and is backed by numerous ASEAN awards from Malaysian pension funds in 2013 and 2015. He was previously the Head of ASEAN equities at BNP Paribas Investment Partners, Malaysia where he was overseeing ASEAN equities for both Malaysian and offshore clients from 2012. Prior to that, he served as Senior Vice President for CIMB-Principal Asset Management Berhad where he specialised in Malaysia, ASEAN and Asia specialist funds. He also worked as a portfolio manager at Riggs and Co International Private Banking in London specialising in managing global ETF portfolios.
Qualifications:	MSc Finance from City University Business School and BSc Accounting and Financial Analysis from University of Warwick, UK.

Note: For more and/or updated information, please refer to our website at www.principal.com.my.

6. THE SUB-MANAGER

6.1. ABOUT PRINCIPAL ASSET MANAGEMENT (S) PTE. LTD.

The Manager has appointed Principal Singapore as the Sub-Manager for the investment foreign portion of **Principal DALI Equity Fund**, **Principal DALI Asia Pacific Equity Growth Fund**, **Principal Islamic Lifetime Balanced Fund** and **Principal Islamic Asia Pacific Dynamic Equity Fund**. Principal Singapore was granted the discretion to manage, realise, invest, reinvest or howsoever deal with the respective portion of these Funds allocated to foreign investments in accordance with the investment objectives of each of these Funds. The Sub-Manager's discretionary authority over the foreign investments of these Funds is subject to the GUTF, the CMSA and the internal policies and procedures.

Principal Malaysia shall be responsible for the review, monitoring and oversight of Principal Singapore in the performance of its duties and obligations in respect of these Funds.

Principal Singapore was incorporated in Singapore on 18 May 2006, and has been in the fund management industry for more than ten (10) years. The company is a wholly-owned subsidiary of Principal Malaysia. Principal Singapore is a regional asset management company established in Singapore offering both Islamic and conventional fund management services. The company manages regional investment activities for the Principal Asset Management group of companies.

Principal Singapore is a licensed fund regulated by the Monetary Authority of Singapore.

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

6.1.1. Designated person responsible for fund management function

Name:	Christopher Leow
Designation:	Chief Executive Officer and Chief Investment Officer, Principal Singapore
Experience:	Mr Leow joined Principal Malaysia in December 2003 and was transferred to Principal Singapore in May 2007. He has more than 20 years of experience in the equities and fund management industry. He is the Chief Executive Officer, Chief Investment Officer and a director of Principal Singapore, and is responsible for leading the International Investment team based in Singapore. He has been registered with the Authority under the Securities and Futures Act as a Representative of Principal Singapore in fund management since September 2007.
Qualifications:	Bachelor of Commerce in Accounting and Finance (Hons) from the University of Western Australia. He is a CFA and a Certified Financial Planner.

Note: For more information, updated information and/or change in sub-management arrangement (if any), please refer to our website at www.principal.com.my.

7. THE SHARIAH ADVISER

7.1. ABOUT AMANIE ADVISORS SDN BHD

Amanie Advisors Sdn Bhd ("Amanie") is a Shariah advisory, consultancy, training and research and development boutique for institutional and corporate clientele focusing on Islamic financial services. Amanie is a registered Shariah adviser (Corporation) with the SC. It has been established with the aim of addressing the global needs for experts' and Shariah scholars' pro-active input. This will ultimately allow the players in the industry to manage and achieve their business and financial goals in accordance with the Shariah Principles. Amanie also focuses on organizational aspect of the development of human capital in Islamic finance worldwide through providing updated quality learning embracing both local and global issues on Islamic financial products and services. The company is led by Tan Sri Dr. Mohd Daud Bakar and teamed by an active and established panel of consultants covering every aspect related to the Islamic banking and finance industry both in Malaysia and the global market. Currently the team comprises of eight (8) full-time consultants who represent dynamic and experienced professionals with a mixture of corporate finance, accounting, product development, Shariah law and education. As at LPD, there are more than one hundred and eleven (111) funds which Amanie acts as Shariah adviser.

The roles and responsibilities of Amanie as the appointed Shariah Adviser for the Funds are as follows:

- Review and provide Shariah expertise and professional guidance as well as suggest relevant changes to all relevant documents relating to Shariah principles including the Deed, Prospectus and/or other relevant submission documents submitted by us for purposes of submission to any relevant authority to ascertain compliance to Shariah principles.
- Where relevant, prepare a report to be included in the Funds' interim and annual report certifying whether the Funds has been managed and administered in accordance with Shariah principles for the period concerned.
- To advise on the breach of Shariah investment guidelines and purification/cleansing of cash dividends.
- To advise on any other matter pertaining to Shariah issues in relation to the Funds.
- Ensure that the Funds are managed and administered in accordance with the Shariah principles at all times by reviewing the investment process and other operational matters.
- Review the relevant Funds' marketing and promotional documents submitted by us with the view to ascertain compliance to Shariah principles.
- To review and scrutinize the Funds' compliance report as provided by the compliance officer, and investment transaction reports provided by, or approved by the relevant responsible party to ensure that the Funds' investment are in line with Shariah principles.
- To undertake an annual compliance review of the Funds for purpose of issuance of an annual compliance report.

Amanie will meet us every quarter to review on the Funds' investment and address Shariah advisory matters pertaining to the Funds to ensure compliance with Shariah principles or any other relevant principles at all times. Our portfolio will be reviewed on monthly basis and Amanie shall issue an annual Shariah certificate for the Funds at the financial year end.

The designated person responsible for Shariah advisory matters of the Funds is Tan Sri Dr. Mohd Daud Bakar as the Executive Chairman. Currently, other consultants are:

- Suhaida Mahpot
- Ahmad Anas Fadzil
- Muhammad Hafizuddin Abd. Hamid

7.1.1. Shariah officer Responsible for Shariah Adviser function

Name:	Tan Sri Dr. Mohd Daud Bakar
Designation:	Executive Chairman, Amanie Advisors Sdn Bhd
Experience:	<p>Tan Sri Dr. Mohd Daud Bakar is the Founder and Executive Chairman of Amanie Group. One of its flagship companies namely Amanie Advisors, is operating in few cities globally. He serves as the Chairman of the Shariah Advisory Council (SAC) at the Central Bank of Malaysia, the Securities Commission of Malaysia, the Labuan Financial Services Authority, the Astana International Financial Centre (AIFC), Kazakhstan, the First Abu Dhabi Bank, and Permodalan Nasional Berhad (PNB).</p> <p>He is also a Shariah board member of various global financial institutions, including the National Bank of Oman (Oman), Amundi Asset Management (France), Bank of London and Middle East (London), BNP Paribas Najma (Bahrain), Natixis Bank (Dubai), Morgan Stanley (Dubai), Sedco Capital (Saudi and Luxembourg), and Dow Jones Islamic Market Index (New York) amongst many others.</p> <p>Currently, Tan Sri serves as the Chairman of Federal Territory Islamic Religious Department [Majlis Agama Islam Persekutuan (MAIWP)]. In the corporate world, Datuk is currently a member of the PNB Investment Committee. Previously, he served as a Board Director at Sime Darby Property Berhad and Chairman to Malaysia Islamic Economic Development Foundation (YaPEIM). In addition, he is the co-founder of Experts Analytics Centre Sdn Bhd and MyFinB. He also serves as the Chairman of Berry Pay Sdn. Bhd., Data Sukan Consulting Sdn. Bhd., Bio Fluid Sdn. Bhd., KAB Gold Dynamics Sdn. Bhd., Bio-Angle Vacs Sdn. Bhd., Tulus Digital Sdn. Bhd., and Amanie-Afra Halal Capital Co (Bangkok).</p> <p>In 2014, he received the "Most Outstanding Individual" award by His Majesty, the King of Malaysia, in conjunction with the national-level Prophet Muhammad's birthday. Under his leadership, Amanie Advisors received the "Islamic Economy Knowledge Infrastructure Award" at the Global Islamic Economy Summit,</p>

	Dubai 2015, by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, Oct 2015. On 13 November 2021, he was conferred the Darjah Kebesaran Panglima Setia Mahkota (P.S.M.) which carries the title of “Tan Sri”.
Qualifications:	In the academic side, he was the 8th President of the International Islamic University of Malaysia (IIUM) due to his vast skill and experience serving the university. He received his first degree in Shariah from University of Kuwait in 1988 and obtained his PhD from University of St. Andrews, United Kingdom in 1993. In 2002, he completed his external Bachelor of Jurisprudence at University of Malaya.

Note: For more and/or updated information, please refer to our website at www.principal.com.my and/or Shariah Adviser’s website at amanieadvisors.com.

8. THE TRUSTEES

8.1. ROLES, DUTIES AND RESPONSIBILITIES OF THE TRUSTEES.

The Trustees' main functions are to act as trustee and custodian of the assets of the Funds and to safeguard the interests of the Unit holders of the Fund. They shall:

- act in accordance with the provisions of the Deeds, the CMSA, the GUTF and securities laws;
- take into its custody the investments of the Funds and hold the investments in trust for the Unit holders;
- ensure that the Manager operates and administers the Funds in accordance with the provisions of the Deeds, the CMSA, the GUTF and acceptable business practice within the unit trust industry;
- ensure that it is fully informed of the investment policies of the Funds and of any changes made thereto, and if it is of the opinion that the policies are not in the interests of the Unit holders, it shall instruct the Manager to take appropriate action as the Trustees deem fit and/or summon a Unit holders' meeting for the purpose of giving such instructions to the Manager as the meeting thinks proper;
- as soon as practicable notify the SC of any irregularity or an actual or anticipated material breach of the provisions of the Deeds, the GUTF and any other matters which in the Trustees' opinion may indicate that the interests of Unit holders are not being served;
- exercise due care, skill, diligence and vigilance in carrying out its functions and duties, in actively monitoring the administration of the Funds by the Manager and in safeguarding the interests of Unit holders;
- maintain, or cause the Manager to maintain, proper accounting and other records in relation to those rights and interests, and of all transactions effected by the Manager on account of the Funds; and
- cause those accounts to be audited at least annually by the auditor of the Fund and send or cause those accounts to be sent to Unit holders within two (2) months of the relevant accounting period.

8.2. TRUSTEES' STATEMENT OF RESPONSIBILITY

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

8.3. EXEMPTIONS OR VARIATIONS

There have been no exemptions or variations from any relevant securities laws or the GUTF granted to the Trustees by the SC.

8.4. ABOUT AMANAHRAYA TRUSTEES BERHAD

ART is the trustee of the **iOP-MO**, **DALI4**, **iOP-EO** and **ili-S**. ART was incorporated under the laws of Malaysia on 23 March 2007 and registered as a trust company under the Trust Companies Act 1949.

ART is a subsidiary of Amanah Raya Berhad (ARB) which is wholly owned by the Government of Malaysia. ART took over the corporate trusteeship functions of ARB and acquired ARB's experience of more than 50 years in trustee business. ART has been registered and approved by the SC to act as trustee to unit trust funds.

8.4.1. ART's delegate

ART has delegated its custodian function for the foreign investments of the DALI4 to Citibank N.A, Singapore Branch. Citibank N.A. in Singapore began providing Securities and Funds Services in the mid-1970's and a fully operational global custody product was launched in the early 1990's. To-date, their securities services business claims a global client base of premier banks, fund managers, broker dealers and insurance companies.

The roles and duties of Citibank N.A, Singapore as the trustee's delegate are as follows:

- To act as sub-custodian for the selected cross-border investment of the fund(s) including the opening of cash and custody accounts and to hold in safekeeping the assets of the fund(s).
- To act as paying agent for selected cross-border investments which include trade settlement and fund transfer services.
- To provide corporate action information or entitlements arising from the above underlying assets and to provide regular reporting on the activities of the invested portfolios.

8.4.2. Material Litigation and Arbitration

As at LPD, neither ART nor its delegates are engaged in any material litigation and arbitration, either as plaintiff or defendant, and the Trustee and its delegate are not aware of any proceedings, pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect their financial position or business.

8.5. ABOUT MTRUSTEE BERHAD

MTrustee is the trustee for **DALI** with its registered office at B-2-9, (2nd Floor), Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur. MTrustee was incorporated on 28 July 1987 and registered as a Trust Company under the Trust Companies Act 1949 on 8 February 1989.

MTrustee has commenced its operations in March 1992 and has been involved in the unit trust industry as a trustee since 1997.

8.5.1. Delegation of MTrustee custodial functions (for DALI)

MTrustee has delegated its custodian of quoted and unquoted local investments of the Funds to Malayan Banking Berhad (“MBB”). The assets of the local Funds are held through MBB’s nominee company, and it was set up to act as custodian for investment advisers, managers of large portfolios, lending banks and international custodians.

MTrustee retains control of the assets of the Fund at all times.

8.5.2. Material Litigation and Arbitration

Legal proceedings have been initiated against the Trustee by one Ling Ngong Hiang, suing in his own capacity and as representative of other investors in the Golden Palm Growers Scheme (“Scheme”), in Kuala Lumpur High Court Civil Suit No. WA-22NCvC-156-03/2022.

The allegations against the Trustee broadly cover failing to protect the interests of the Scheme’s investors, breach of statutory and fiduciary duties as trustee of the Scheme, and acting in concert with the manager of the Scheme against the interests of the investors.

The Trustee’s solicitors are of the view that, based on a review of the Prospectuses for the Scheme, the Trust Deed and other related documents, the legal proceedings are misconceived as the allegations go beyond the defined and stated roles of the Trustee.

The Trustee’s solicitors are also of the view that the Trustee’s chances of successfully defending the claim are more than even.

8.6. ABOUT HSBC (MALAYSIA) TRUSTEE BERHAD

HSBCT is the trustee for **ILI-ES** and **IDY-APDE**. HSBCT is a company incorporated in Malaysia since 1937 and registered as a trust company under the Trust Companies Act 1949, with its registered address at Level 19, Menara IQ, Lingkaran TRX, 55188 Tun Razak Exchange, Kuala Lumpur. Since 1993, the Trustee has acquired experience in the administration of unit trusts and has been appointed as trustee for unit trust funds, exchange traded funds, wholesale funds and funds under private retirement scheme.

Roles, Duties and Responsibilities of the Trustee

HSBCT’s main function is to act as trustee and custodian of the assets of the Funds and to safeguard the interests of Unit holders of the Funds. In respect of moneys paid by an investor for the application of units, HSBCT’s responsibility arises when the moneys are received in the relevant account of HSBCT for the Funds and in respect of withdrawal, HSBCT’s responsibility is discharged once it has paid the withdrawal amount to the Manager.

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

HSBCT is not liable for doing or failing to do any act for the purpose of complying with law, regulation or court orders.

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

8.6.1. HSBCT’s delegate

HSBCT has appointed the Hongkong and Shanghai Banking Corporation Ltd as the custodian of both the local and foreign assets of the Fund. For quoted and unquoted local investments of the Fund, the assets are held through HSBC Bank Malaysia Berhad and/or HSBC Nominees (Tempatan) Sdn Bhd. The Hongkong and Shanghai Banking Corporation Ltd is a wholly owned subsidiary of HSBC Holdings Plc, the holding company of the HSBC Group. The custodian’s comprehensive custody and clearing services cover traditional settlement processing and safekeeping as well as corporate related services including cash and security

reporting, income collection and corporate events processing. All investments are registered in the name of the Trustee or to the order of HSBCT. The custodian acts only in accordance with instructions from HSBCT.

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

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

8.6.2. Material Litigation and Arbitration

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

8.7. ABOUT MAYBANK TRUSTEES BERHAD

MTB is the Trustee of the **ILI-BG** with its registered office at 8th Floor, Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur.

MTB was incorporated on 12 April 1963 and registered as a Trust Company under the Trust Companies Act 1949 on 11 November 1963. It was one of the first local trust companies to provide trustee services with the objective of meeting the financial needs of both individual and corporate clients.

MTB has acquired experience in the administration of unit trust funds/ schemes since 1991.

8.7.1. MTB's Delegate

MTB has delegated its custodian function to Malayan Banking Berhad. The custodian function is run under Maybank Securities Services ("MSS"), a unit within Malayan Banking Berhad. Maybank Securities Services provides a comprehensive end to end clearing and custody services for global and domestic equities and fixed income securities. MSS provides a complete suite of corporate outsourcing solutions with a proven track record in servicing international institutional clients: Sub Custodian for major Foreign Banks and Global Custodians. MSS also provides Global custody services in more than 100 different markets via a special arrangement with their reputable partners. They have also consistently been awarded in the Global Custodian Awards for Excellence as well as other major publications.

The roles and duties of the trustee's delegate, MSS, are as follows:

- Safekeep, reconcile and maintain assets holdings records of funds against trustee's instructions;
- Act as settlement agent for shares and monies to counterparties against trustee's instructions;
- Act as agents for money market placement where applicable against trustee's instructions;
- Disseminate listed companies' announcements to and follow through for corporate actions instructions from trustee;
- Compile, prepare and submit holdings report to trustee and beneficial owners where relevant; and
- Other ad-hoc payments for work done for the funds against trustee's instructions, etc.

The custodian acts only in accordance with instructions from the Trustee.

8.7.2. Material Litigation and Arbitration

As at 30 September 2019, save for the suit mentioned herein below, the Trustee is not engaged in any material litigation as plaintiff or defendant and the Trustee is not aware of any proceedings, pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect its financial position or business.

Several holders of the bonds ("Bondholders") issued by Aldwich Berhad [In Receivership] ("Aldwich") had sued Aldwich for its failure to settle its indebtedness to the Bondholders following the default of the said bonds in 2010 and named the Trustee as one of 6 co-defendants under Kuala Lumpur High Court Civil Suit No. D-22NCC-1622-11/2012 ("Aldwich Bondholders' Suit"). The claim against the Trustee is for the sum of MYR177,248,747.31 or any other sum that the Court deems fit and proper. The other co-defendants are the holding company of Aldwich ("Holding Company"), the Chief Executive Officer of the holding company of Aldwich ("CEO"), the Security Agent and the Reporting Accountant. The Trustee denied all allegations and claimed trial.

The High Court had on 24 July 2017 delivered its judgement on the Aldwich Bondholders' Suit ("Judgement") that (a) all the defendants [i.e. Aldwich, Holding Company, CEO, Security Agent, Trustee and Reporting Accountant] are liable to the Bondholders for the sum of MYR177,248,747.31 ("Judgement Sum"); (b) Aldwich, Holding Company and CEO are 100% liable for the Judgement Sum; and (c) among Security Agent, Trustee and Reporting Accountant, liability is apportioned in the proportion of 50%, 30% and 20% of the Judgement Sum respectively.

The High Court had on 5 October 2017 decided in respect of the outstanding matters arising from the Judgement that (a) the quantum of the Judgement Sum is maintained, and (b) interest is payable based on the reduced sum of MYR148,653,953.20 at the rate of 5% per annum from 1 November 2011 to the date of payment.

The Trustee had filed an appeal against the Judgement ("Appeal") at the Court of Appeal.

On 18 September 2019, the Court of Appeal dismissed the Appeals and affirmed the decision of the High Court and awarded further costs of MYR100,000.00 against the Trustee. On 16 October 2019, the Trustee had filed its Leave Motion to the Federal Court. The Leave Motion was partially heard on 21 January 2021, 3 September 2021, and 16 February 2022. The Leave Motion was unanimously dismissed by the Federal Court.

The Aldwich Bondholders' Suit will not materially affect the business or financial position of the Trustee.

8.8. ABOUT UNIVERSAL TRUSTEE (MALAYSIA) BERHAD

UTMB as the trustee of the **DALI2**, **iOP-SCO** and **ILI-B** was incorporated in 1974 in Malaysia and is registered as a trust company under the Trust Companies Act 1949. UTMB is qualified to act as a trustee for collective investment schemes approved pursuant to the CMSA and has more than 30 years of experience in handling unit trust matters.

8.8.1. UTMB's delegate

UTMB has appointed Citibank Berhad as their delegate for local custody services. Citibank Berhad in Malaysia was established on 26 August 1959 as the First National City Bank. It became the first American bank to be locally incorporated on 1 July 1994. It has 11 branches across West Malaysia and an offshore banking unit in Labuan. Citibank Berhad has been an active player in the securities clearing and sub-custody industry in Malaysia since 1985. It is one of the largest institutional trades clearing bank in the securities market. The custody operations unit is also ISO certified.

UTMB has appointed Citibank, N.A., Singapore Branch as their delegate for global custody services. Citibank, N.A., Singapore Branch was set up in 1902 and is today the largest foreign bank operating in the territory. With a staff force of about 8,500, Citibank, N.A., Singapore Branch provides a wide array of banking and financial services to institutions, consumers and professional markets in the community. Citibank, N.A. in Singapore began providing Securities & Fund Services in the mid-1970's and a fully operational global custody product was launched in the early 1990's. To date, Citibank, N.A., Singapore's Securities & Fund Services business claims a global client base of premier banks, fund managers, broker dealers and insurance companies.

8.8.2. Material Litigation and Arbitration

As at LPD, neither UTMB nor its delegates are engaged in any material litigation and arbitration, either as plaintiff or defendant, and the Trustee and its delegate are not aware of any proceedings, pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect their financial position or business.

9. SALIENT TERMS OF DEEDS

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

You will be recognised as a registered Unit holder in the Class on the Business Day your details are entered into the register of Unit holders.

9.1. RIGHTS, LIABILITIES AND LIMITATION OF UNIT HOLDERS

9.1.1. Rights

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

- (i) to inspect the register, free of charge, at any time at our registered office, and obtain such information pertaining to its units as permitted under the Deeds and the GUTF;
- (ii) to receive the distribution of the Funds (if any), participate in any increase in the capital value of the units and to other rights and privileges as set out in the Deeds;
- (iii) to call for Unit holders' meetings;
- (iv) to vote for the removal of the Trustees or the Manager through a Special Resolution;
- (v) to receive annual reports, interim reports or any other reports of the Funds; and
- (vi) to exercise cooling-off for qualified investors.

Unit holders' rights may be varied by changes to the Deeds, the GUTF or judicial decisions or interpretation.

9.1.2. Liabilities

- (i) Your liability is limited to the purchase price per unit and the Application Fee paid or agreed to be paid for a unit. You need not indemnify the Trustee or us if there is a deficiency in the assets of the Funds to meet the claim of any creditor of the Trustees or ours in respect of the Class. The Unit holders of one Class will not be liable for any liabilities of the other Classes.
- (ii) The recourse of the Trustees, ours and any creditor is limited to the assets of the Funds.

9.1.3. Limitations

You cannot:

- (i) interfere with any of our rights or powers and/or the rights or powers of the Trustees under the Deeds;
- (ii) exercise a right in respect of an asset of the Funds or lodge a caveat or other notice affecting the asset of the Funds or otherwise claim any interest in the asset of the Funds; or
- (iii) require the asset of the Funds to be transferred to you.

Note: For full details of the rights of a registered Unit holder of the Funds, please refer to the Deeds.

9.2. MAXIMUM FEES, CHARGES AND EXPENSES PERMITTED BY THE DEEDS

This table describes the maximum charges permitted by the Deeds and payable **directly** by you.

	Charges		
	Application Fee % / MYR	Withdrawal Fee % / MYR	Switching Fee % / MYR
Equity Funds			
Principal DALI Equity Growth Fund	Up to 10% is charged on the NAV per unit.	Nil	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in relation to switching may be charged as set out in the Master Prospectus (Islamic Funds).
Principal DALI Equity Fund	Up to 10% is charged on the NAV per unit.	Up to 5% of the NAV per unit.	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in

	Charges		
	Application Fee % / MYR	Withdrawal Fee % / MYR	Switching Fee % / MYR
			relation to switching may be charged as set out in the Master Prospectus (Islamic Funds).
Principal Islamic Malaysia Opportunities Fund	Up to 7% is charged on the NAV per unit.	Up to 5% of the NAV per unit.	A fee not exceeding 7% of the NAV per unit. An administrative fee in relation to switching may be charged as set out in the Master Prospectus (Islamic Funds).
Principal DALI Asia Pacific Equity Growth Fund	Up to 10% is charged on the NAV per unit.	Up to 5% of the NAV per unit.	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in relation to switching may be charged as set out in the Master Prospectus (Islamic Funds).
Principal Islamic Enhanced Opportunities Fund	Up to 6% is charged on the NAV per unit.	Nil	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in relation to switching may be charged as set out in the Master Prospectus (Islamic Funds).
Principal Islamic Small Cap Opportunities Fund	Up to 10% is charged on the NAV per unit.	Up to 5% of the NAV per unit.	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in relation to switching may be charged as set out in the Master Prospectus (Islamic Funds).
Principal Islamic Asia Pacific Dynamic Equity Fund	Up to 5% is charged on the NAV per unit.	Nil	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in relation to switching may be charged as set out in the Master Prospectus (Islamic Funds).
Mixed Assets Funds			
Principal Islamic Lifetime Balanced Fund	Up to 10% is charged on the NAV per unit.	Up to 5% of the NAV per unit.	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in relation to switching may be charged as set out in the Master Prospectus (Islamic Funds).
Principal Islamic Lifetime Balanced Growth Fund	Up to 6% is charged on the NAV per unit.	Nil	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in relation to switching may be charged as set out in the Master Prospectus (Islamic Funds).
Sukuk Funds			
Principal Islamic Lifetime Enhanced Sukuk Fund	Up to 2% is charged on the NAV per unit.	Nil	(a) If a switch is made from a money market fund into any other equity fund(s), a maximum fee of up to 5.0% may be imposed by the Manager on each switch; (b) If a switch is made from a Sukuk fund into any other equity fund(s), a maximum fee of up to 3.0% may be imposed by the Manager on each switch; (c) such other sum as may be determined by the Manager from time to time.

	Charges		
	Application Fee % / MYR	Withdrawal Fee % / MYR	Switching Fee % / MYR
Principal Islamic Lifetime Sukuk Fund	Up to 10% is charged on the NAV per unit.	Up to 5% of the NAV per unit.	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in relation to switching may be charged as set out in the Master Prospectus (Islamic Funds).

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

	Fees	
	Management Fee % / MYR	Trustee Fee % / MYR
Equity Funds		
Principal DALI Equity Growth Fund	Up to 2.25% per annum, calculated daily on the NAV.	0.06% per annum, calculated daily on the NAV.
Principal DALI Equity Fund	Up to 3.00% per annum, calculated daily on the NAV.	0.06% per annum, calculated daily on the NAV.
Principal Islamic Malaysia Opportunities Fund	Up to 3.00% per annum, calculated daily on the NAV.	Up to 0.05% per annum (including local custodian fees and charges), calculated daily on the NAV.
Principal DALI Asia Pacific Equity Growth Fund	Up to 3.00% per annum, calculated daily on the NAV.	0.06% per annum, calculated daily on the NAV.
Principal Islamic Enhanced Opportunities Fund	Up to 1.50% per annum, calculated daily on the NAV.	0.09% per annum, calculated daily on the NAV.
Principal Islamic Small Cap Opportunities Fund	Up to 3.00% per annum, calculated daily on the NAV.	0.06% per annum, calculated daily on the NAV.
Principal Islamic Asia Pacific Dynamic Equity Fund	Up to 1.85% per annum, calculated daily on the NAV.	0.07% per annum, calculated daily on the NAV (excluding foreign sub-custodian fees and charges).
Mixed Asset Funds		
Principal Islamic Lifetime Balanced Fund	Up to 1.50% per annum, calculated daily on the NAV.	0.10% per annum, calculated daily on the NAV.
Principal Islamic Lifetime Balanced Growth Fund	Up to 2.00% per annum, calculated daily on the NAV.	0.07% per annum, calculated daily on the NAV (excluding foreign sub-custodian fees and charges).
Sukuk Funds		
Principal Islamic Lifetime Enhanced Sukuk Fund	Up to 1.50% per annum, calculated daily on the NAV.	0.07% per annum, calculated daily on the NAV (excluding foreign sub-custodian fees and charges).
Principal Islamic Lifetime Sukuk Fund	Up to 3.00% per annum, calculated daily on the NAV.	0.06% per annum, calculated daily on the NAV.

A lower fee and/or charges than what is stated in the Deeds may be charged, all current fees and/or charges will be disclosed in the Master Prospectus (Islamic Funds).

Any increase of the fees and/or charges above that stated in the current Master Prospectus (Islamic Funds) may be made provided that a supplemental master prospectus is issued and the maximum stated in the Deeds shall not be breached.

Any increase of the fees and/or charges above the maximum stated in the Deeds shall require your approval.

9.2.1. Expenses permitted by the Deeds

The Deeds also provide for payment of other expenses. The major expenses recoverable directly from the Funds include:

- commissions/fees paid to brokers/dealers in effecting dealings in the investments of the Funds, shown on the contract notes or confirmation notes or difference accounts;
- (where the foreign custodial function is delegated by the Trustees), charges/fees paid to the sub-custodian;
- tax and other duties charged on the Funds by the government and other authorities if any and bank fees;
- the fees and other expenses properly incurred by the auditor of the Fund;
- remuneration and out of pocket expenses of the person(s) undertaking the oversight functions of the Fund and/or the members of the Shariah committee or advisers (if any) of the Funds, unless we decide to bear the same;
- fees incurred for the fund valuation and accounting of the Fund performed by a fund valuation agent;
- costs incurred for the modification of the Deeds other than those for our benefit or the Trustees;
- costs incurred for any meeting of Unit holders other than those convened for our benefit or the Trustees;
- the sale, purchase, insurance, custody and any other dealings of investments including commissions/fees paid to brokers;
- costs involved with external specialists approved by the Trustees in investigating and evaluating any proposed investment;
- the engagement of valuers, advisers and contractors of all kinds;
- preparation and audit of the taxation returns and accounts of the Funds;
- termination of the Funds or Class and the retirement or removal of the Trustees or the Manager and the appointment of a new trustee or manager;
- any proceedings, arbitration or other dispute concerning the Funds or Class or any asset, including proceedings against us or the Trustees by the other of them for the benefit of the Funds or Class (except to the extent that legal costs incurred for the defense of either of them are not ordered by the court to be reimbursed out of the Funds);
- costs of obtaining experts opinion by us or the Trustees for the benefit of the Funds or Class; and
- all costs and/or expenses associated with the distributions declared pursuant to this Deed and the payment of such distribution including without limitation fees, costs and/or expenses for the revalidation or reissuance of any distribution cheque or distribution warrant or telegraphic transfer.

The Trustees and us are required to ensure that any fees or charges payable are reasonable and in accordance with the Deeds.

9.3. RETIREMENT, REMOVAL OR REPLACEMENT OF THE MANAGER

We must retire as the Manager when required to retire by law.

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

We shall retire under the following circumstances:

- if a Special Resolution is duly passed by the Unit holders that the Manager be removed; or
- if we cease to be approved by the SC to be the management company of the Funds.

We may be removed by the Trustees under certain circumstances outlined in the Deeds. These include:

- if we have gone into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustees) 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; or
- if we cease to carry on business; or
- if the Trustees are of the opinion that we have, to the prejudice of the Unit holders, failed to comply with any provision or covenant under the Deeds or contravened any of the provisions of the CMSA; or
- if we have failed or neglected to carry out its duties to the satisfaction of the Trustees and the Trustees consider that it would be in the interests of the Unit holders for it to do so, after the Trustees have given notice to it of that opinion and the reasons for that opinion, and has considered any representations made by us in respect of that opinion, and after consultation with the SC and with the approval of the Unit holders.

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

We may be replaced by another corporation appointed as manager by a Special Resolution of the Unit holders at a Unit holder's meeting convened in accordance with the Deeds either by the Trustees or the Unit holders.

9.4. RETIREMENT, REMOVAL OR REPLACEMENT OF THE TRUSTEES

We and the Trustee may agree, and may by the Deeds appoint in its stead a new trustee approved by the SC.

The Trustees must retire as trustees of the Funds when required to retire by law. The Trustees may retire by giving twelve (12) months' notice to us or any shorter notice we accept.

We may remove the Trustee and the Trustees covenant that it will retire or be removed from the Funds constituted by or pursuant to the Deeds if and when requested to do so by us if:

- the Trustees shall go into liquidation;
- the Trustees are placed under receivership, ceases to exist, fails or neglects its duties;

- the Trustees cease to be approved by the SC to be a trustee for unit trust schemes; or
- a Special Resolution is duly passed by the Unit holders that the Trustees be removed.

Additionally, we are legislatively empowered under Section 299 of the CMSA to remove the Trustees under specific circumstances set out therein.

The Trustees may be replaced by another corporation appointed as trustee by a Special Resolution of the Unit holders at a Unit holders' meeting convened in accordance with the Deeds either by us or the Unit holders.

9.5. TERMINATION OF THE FUNDS OR CLASS(ES)

The Funds or any of the Class(es) may be terminated or wound-up upon the occurrence of any of the following events:

- (a) the SC's authorization is withdrawn under Section 256E of the CMSA;
- (b) a Special Resolution is passed at a Unit holders' meeting to terminate or wind-up the Funds or the relevant Class, following the occurrence of events stipulated under Section 301(1) of the CMSA and the court has confirmed the resolution, as required under Section 301(3) of the CMSA;
- (c) a Special Resolution is passed at a Unit holders' meeting to terminate or wind-up the Funds or the relevant Class;
- (d) the Fund(s) or the Class has reached the maturity date (if any); or
- (e) the effective date of an approved transfer scheme, as defined under the SC Guidelines, has resulted in the Funds, which is the subject of the transfer scheme, being left with no asset/property.

Notwithstanding the above, the Fund and/or any of the Class may be terminated or wound-up, without the need to seek Unit Holders' prior approval, as proposed by the Manager with the consent of the Trustee (which consent shall not be unreasonably withheld) upon the occurrence of any of the following events, by giving a notice in writing to the Unit Holders of such period not less than that specified in the GUTF as hereinafter provided (i) if any law shall be passed which renders it illegal or (ii) if in the reasonable opinion of that Manager it is impracticable or inadvisable to continue the Fund and/or the Class, and in any case the termination of the Fund and/or Class is in the best interest of the Unit Holders.

9.6. MEETINGS OF UNIT HOLDERS

A Unit holders' meeting may be called by us, the Trustee and/or the Unit holders.

Where we or the Trustees convenes a meeting, the notice of the time and place of the meeting and terms of resolution to be proposed shall be given to the Unit holders by sending by post a notice of the proposed meeting at least fourteen (14) days before the date of the proposed meeting, to each Unit holder at the Unit holder's last known address or, in the case of joint holders, to the joint Unit holder whose name stands first in our records at the joint Unit holder's last known address.

We shall within twenty-one (21) days after an application is delivered to us at our registered office, being an application by not less than fifty (50), or one-tenth (1/10) in number, whichever is less, of the Unit holders to which the Deeds relate, summon a meeting of the Unit holders:

- (i) by sending a notice by post of the proposed meeting at least seven (7) days before the date of the proposed meeting to each of those Unit holders at his/her last known address or in the case of joint Unit holder, to the joint Unit holder whose name stands first in our records at the joint Unit holder's last known address; and
- (ii) by publishing at least fourteen (14) days before the date of the proposed meeting, an advertisement giving notice of the meeting in a national language national daily newspaper and in one other newspaper as may be approved by the SC,

for the purpose of considering the most recent financial statements of the Funds or relevant Class, or for the purpose of requiring the retirement or removal of the Manager or the Trustees, or for the purpose of giving to the Trustee such directions as the meeting thinks proper, or for the purpose of considering any other matter in relation to the Deeds.

The quorum for a meeting of Unit holders of the Fund or Class is five (5) Unit holders of the Fund (irrespective of the Class) or Class present in person or by proxy, provided that for a meeting which requires a Special Resolution the quorum for that meeting shall be five (5) Unit holders, whether present in person or by proxy, holding in aggregate at least twenty-five per centum (25%) of the units in issue for the Fund (irrespective of the Class) or Class at the time of the meeting. If the Fund (irrespective of the Class) or Class has five (5) or less Unit holders, the quorum required shall be two (2) Unit holders of the Fund (irrespective of the Class) or Class, as the case may be, whether present in person or by proxy and if the meeting requires a Special Resolution the quorum for that meeting shall be two (2) Unit holders, whether present in person or by proxy, holding in aggregate at least twenty-five per centum (25%) of the units in issue for the Fund (irrespective of the Class) or Class at the time of the meeting. For the avoidance of doubt, the same quorum requirements shall apply to a meeting of Unit Holders of a particular Class. Where a Fund or Class has only one (1) remaining Unit Holder, such Unit Holder, whether present in person or by proxy, at the meeting shall constitute a quorum.

Voting is by a show of hands, unless a poll is duly demanded or the resolution proposed is required by the Deeds or by law to be decided by a percentage of all units. Each Unit holder of the Fund or of the Class present in person or by proxy has one (1) vote on a show of hands (irrespective of the Class). On a poll of a meeting of the Fund, the votes of each Unit Holder of the Fund, present in person or by proxy, shall be proportionate to the value of Unit held in the base currency as provided in the Deed. In the case of a Class meeting, on a poll, each Unit holder of that Class present in person or by proxy has one (1) vote for each whole

fully paid unit held in that Class. In the case of joint Unit holders, only the person whose name appears first in the register may vote. Units held by the Manager or its nominees shall have no voting rights in any Unit holders' meeting of the Fund. In respect of the termination or winding-up of the Fund of that Class, voting shall only be carried out by poll.

Nothing herein shall preclude us from convening any Unit Holders' meeting at more than one venue using any communication facility or technology or method available as we shall determine to enable the Unit Holders to participate and to exercise their right to speak and vote at that meeting. Where such meeting is convened, any reference to a Unit Holder being "present in person" in the Deed, meetings or resolutions shall include, where permitted by us, to that Unit Holder being present either remotely or virtually and for the avoidance of doubt it is hereby agreed that the participation by a Unit Holder in such meeting using the prescribed communication facility or technology or method shall be deemed as being present at that meeting notwithstanding that the Unit Holder is not physically present at the main venue of that meeting.

10. TAXATION REPORT

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Principal Asset Management Berhad
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31 December 2022

Dear Sirs

Taxation of the unit trust fund and unit holders

This letter has been prepared for inclusion in this Replacement Master Prospectus (Islamic Funds) Issue No. 13 in connection with the offer of units in the unit trust funds managed by Principal Asset Management Berhad as listed in Attachment 1 (hereinafter referred to as “the Funds”).

The purpose of this letter is to provide prospective unit holders with an overview of the impact of taxation on the Funds and the unit holders.

Taxation of the Funds

The taxation of the Funds is subject to the provisions of the Malaysian Income Tax Act 1967 (MITA), particularly Sections 61 and 63B.

Subject to certain exemptions, the income of the Funds comprising profits and other investment income derived from or accruing in Malaysia after deducting tax allowable expenses, is subject to Malaysian income tax at the rate of 24% with effect from the year of assessment 2016.

Under Section 2(7) of the MITA, any reference to interest shall apply, *mutatis mutandis*, to gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of *Syariah*.

The effect of this is that any gains or profits received (hereinafter referred to as “profits”) and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of *Syariah*, will be accorded the same tax treatment as if they were interest.

Tax allowable expenses would comprise expenses falling under Section 33(1) and Section 63B of the MITA. Section 33(1) permits a deduction for expenses that are wholly and exclusively incurred in the production of gross income. In addition, Section 63B allows unit trusts a deduction for a portion of other expenses (referred to as ‘permitted expenses’) not directly related to the production of income, as explained below.

“Permitted expenses” refer to the following expenses incurred by the Funds which are not deductible under Section 33(1) of the MITA:

- the manager’s remuneration,
- maintenance of the register of unit holders,
- share registration expenses,
- secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage.

These expenses are given a partial deduction under Section 63B of the MITA, based on the following formula:

$$A \times \frac{B}{4C}$$

where A is the total of the permitted expenses incurred for that basis period;
 B is gross income consisting of dividend¹, interest and rent chargeable to tax for that basis period; and

¹ Pursuant to Section 15 of the Finance Act 2011, with effect from the year of assessment 2011, dividend income is deemed to include income distributed by a unit trust which includes distributions from Real Estate Investment Trusts.

- C is the aggregate of the gross income consisting of dividend¹ and interest (whether such dividend or interest is exempt or not) and rent, and gains made from the realisation of investments (whether chargeable to tax or not) for that basis period,

provided that the amount of deduction to be made shall not be less than 10% of the total permitted expenses incurred for that basis period.

Exempt income

The following income of the Funds is exempt from income tax:

- **Malaysian sourced dividends**
All Malaysian-sourced dividends should be exempt from income tax.
- **Malaysian sourced interest**
 - (i) interest from securities or bonds issued or guaranteed by the Government of Malaysia;
 - (ii) interest from debentures or *sukuk*, other than convertible loan stock, approved or authorized by, or lodged with, the Securities Commission;
 - (iii) interest from Bon Simpanan Malaysia issued by Bank Negara Malaysia;
 - (iv) interest derived from Malaysia and paid or credited by banks licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013²;
 - (v) interest derived from Malaysia and paid or credited by any development financial institution prescribed under the Development Financial Institutions Act 2002³; and
 - (vi) interest from *sukuk* originating from Malaysia, other than convertible loan stock, issued in any currency other than Ringgit and approved or authorized by, or lodged with, the Securities Commission or approved by the Labuan Financial Services Authority (LFSA)³; and
 - (vii) interest which is specifically exempted by way of statutory orders or any other specific exemption provided by the Minister.
- **Discount**
Tax exemption is given on discount paid or credited to any unit trust in respect of investments as specified in items (i), (ii) and (iii) above.

Foreign-sourced income

Pursuant to the Finance Act 2021, income derived by a resident person from sources outside Malaysia and received in Malaysia from 1 January 2022 will no longer be exempt from tax.

The Guidelines issued by the Malaysian Inland Revenue Board on 29 September 2022 define the term “received in Malaysia” to mean transferred or brought into Malaysia, either by way of cash⁴ or electronic funds transfer⁵.

Foreign-sourced income (FSI) received in Malaysia during the transitional period from 1 January 2022 to 30 June 2022 will be taxed at 3% of gross. From 1 July 2022 onwards, FSI received in Malaysia will be taxed at the prevailing tax rate(s) of the taxpayer and based on applicable tax rules. Bilateral or unilateral tax credits may be allowed if the same income has suffered foreign tax, and where relevant conditions are met.

Income Tax (Exemption) (No. 6) Order 2022 has been issued to exempt a “qualifying person”⁶ from the payment of income tax in respect of dividend income which is received in Malaysia from outside Malaysia, effective from 1 January 2022 to 31 December 2026. The exemption will however not apply to a person carrying on the business of banking, insurance or sea or air transport. As the definition of “qualifying person” does not include unit trust funds, it would mean that resident unit trust funds would technically not qualify for the exemption, unless there are further updates thereto.

Gains from the realisation of investments

Pursuant to Section 61(1) (b) of the MITA, gains from the realisation of investments will not be treated as income of the Fund and hence, are not subject to income tax. Such gains may be subject to real property gains tax (RPGT) under the Real Property Gains Tax Act 1976 (RPGT Act), if the gains are derived from the disposal of chargeable assets, as defined in the RPGT Act.

² Effective from 1 January 2019, the income tax exemption for a unit trust fund, pursuant to Paragraph 35A, Schedule 6 of the Income Tax Act, 1967 shall not apply to a wholesale fund which is a money market fund.

³ Effective from the year of assessment 2017, the exemption shall not apply to interest paid or credited to a company in the same group or interest paid or credited to a bank licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013; or a development financial institution prescribed under the Development Financial Institutions Act 2002.

⁴ “Cash” in this context is defined as banknotes, coins and cheques.

⁵ “Electronic funds transfer” means bank transfers (e.g., credit or debit transfers), payment cards (debit card, credit card and charge card), electronic money, privately-issued digital assets (e.g., crypto-assets, stablecoins) and central bank digital currency.

⁶ “Qualifying person” in this context means a person resident in Malaysia who is:

(a) An individual who has dividend income received in Malaysia from outside Malaysia in relation to a partnership business in Malaysia;

(b) A limited liability partnership which is registered under the Limited Liability Partnerships Act 2012; or

(c) A company which is incorporated or registered under the Companies Act 2016.

Implementation of Sales and Service Tax (“SST”)

Sales and Service Tax (“SST”) was re-introduced effective 1 September 2018. Sales Tax of 10% (most common rate) or 5% is charged by Malaysian manufacturers of taxable goods or upon importation into Malaysia of such taxable goods, unless specifically exempted under the Sales Tax (Goods Exempted From Tax) Order 2018. Service Tax at the rate of 6% is charged on certain prescribed taxable services performed by taxable persons as stipulated under Service Tax Regulations 2018. The input tax recovery mechanism under the previous GST regime does not apply to SST. Therefore, any SST incurred is not recoverable and will form a cost element for businesses.

Based on the Service Tax Regulations 2018, a unit trust fund is neither regarded as a taxable person nor as providing taxable services and is therefore not liable for SST registration. Where the Fund incurs expenses such as management fees, the management services provided by asset and fund managers who are licensed or registered with Securities Commission Malaysia for carrying out the regulated activity of fund management under the Capital Markets and Services Act 2007, are specifically excluded from the scope of Service Tax. As for other fees, such as trustee fees and other administrative charges, these may be subject to 6% service tax provided they fall within the scope of service tax (i.e. are provided by a “taxable person”, who exceeds the required annual threshold (in most cases RM 500,000 per annum) and the services qualify as “taxable services”).

Taxation of unit holders

For Malaysian income tax purposes, unit holders will be taxed on their share of the distributions received from the Funds.

The income of unit holders from their investment in the Funds broadly falls under the following categories:

1. taxable distributions; and
2. non-taxable and exempt distributions.

In addition, unit holders may also realise a gain from the sale of units.

The tax implications of each of the above categories are explained below:

1. Taxable distributions

Distributions received from the Funds will have to be grossed up to take into account the underlying tax paid by the Funds and the unit holder will be taxed on the grossed up amount.

Such distributions carry a tax credit, which will be available for set-off against any Malaysian income tax payable by the unit holder. Should the tax deducted at source exceed the tax liability of the unit holder, the excess is refundable to the unit holder.

Please refer to the paragraph below for the income tax rates applicable to the grossed up distributions.

2. Non-taxable and exempt distributions

Tax exempt distributions made out of gains from the realisation of investments and exempt income earned by the Funds will not be subject to Malaysian income tax in the hands of the unit holders.

A retail money market fund is exempted from tax on its interest income derived from Malaysia, pursuant to Paragraph 35A of Schedule 6 of the ITA. Pursuant to the Finance Act 2021, with effect from 1 January 2022, distributions by a retail money market fund from such tax exempt interest income, to a unit holder other than an individual, will no longer be exempt from tax. The distribution to unit holders other than individuals will be subject to withholding tax at 24%. This would be a final tax for non-residents. Malaysian residents are required to include the distributions in their tax returns and claim a credit in respect of the withholding tax suffered. Individuals will continue to be exempt from tax on such distributions.

Rates of tax

The Malaysian income tax chargeable on the unit holders would depend on their tax residence status and whether they are individuals, corporations or trust bodies. The relevant income tax rates are as follows:

Unit holders	Malaysian income tax rates
<p>Malaysian tax resident:</p> <ul style="list-style-type: none"> Individual and non-corporate unit holders (such as associations and societies) Co-operatives⁷ Trust bodies Corporate unit holders <ul style="list-style-type: none"> (i) A company with paid up capital in respect of ordinary shares of not more than RM2.5 million (at the beginning of the basis period for the year of assessment) and gross income from a source or sources consisting of a business not exceeding RM50 million for the basis period for the year of assessment^{8 9} (ii) Companies other than (i) above 	<ul style="list-style-type: none"> Progressive tax rates ranging from 0% to 30% Progressive tax rates ranging from 0% to 24% 24% First RM600,000 of chargeable income @ 17% Chargeable income in excess of RM600,000 @ 24% 24%
<p>Non-Malaysian tax resident (Note 1):</p> <ul style="list-style-type: none"> Individual and non-corporate unit holders Corporate unit holders and trust bodies 	<ul style="list-style-type: none"> 30% 24%

Note 1:

Non-resident unit holders may be subject to tax in their respective countries depending on the provisions of the tax legislation in the respective countries and any existing double taxation arrangements with Malaysia.

Gains from sale of units

Gains arising from the realisation of investments will generally not be subject to income tax in the hands of unit holders unless they are insurance companies, financial institutions or traders / dealers in securities.

Unit splits and reinvestment of distributions

Unit holders may also receive new units as a result of unit splits or may choose to reinvest their distributions. The income tax implications of these are as follows:

- Unit splits – new units issued by the Funds pursuant to a unit split will not be subject to income tax in the hands of the unit holders.
- Reinvestment of distributions – unit holders may choose to reinvest their income distribution in new units by informing the Manager. In this event, the unit holder will be deemed to have received the distribution and reinvested it with the Funds.

⁷ Pursuant to Paragraph 12(1), Schedule 6 of the MITA, the income of any co-operative society—

(a) in respect of a period of five years commencing from the date of registration of such co-operative society; and
(b) thereafter where the members' funds [as defined in Paragraph 12(2)] of such co-operative society as at the first day of the basis period for the year of assessment is less than seven hundred and fifty thousand ringgit, is exempt from tax.

⁸ A company would not be eligible for the 17% tax rate on the first RM600,000 of chargeable income if:-

(a) more than 50% of the paid up capital in respect of the ordinary shares of the company is directly or indirectly owned by a related company which has paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;
(b) the company owns directly or indirectly more than 50% of the paid up capital in respect of the ordinary shares of a related company which has paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;
(c) more than 50% of the paid up capital in respect of the ordinary shares of the company and a related company which has a paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment is directly or indirectly owned by another company.

⁹ The above excludes a business trust and a company which is established for the issuance of asset-backed securities in a securitization transaction approved by the Securities Commission.

We hereby confirm that, as at the date of this letter, the statements made in this letter correctly reflect our understanding of the tax position under current Malaysian tax legislation and the related interpretation and practice thereof, all of which are subject to change, possibly on a retrospective basis. We have not been retained (unless specifically instructed hereafter), nor are we obligated to monitor or update the statements for future conditions that may affect these statements.

The statements made in this letter are not intended to be a complete analysis of the tax consequences relating to an investor in the Funds. As the particular circumstances of each investor may differ, we recommend that investors obtain independent advice on the tax issues associated with an investment in the Funds.

Yours faithfully

Ernst & Young Tax Consultants Sdn Bhd

Bernard Yap
Partner

Ernst & Young Tax Consultants Sdn Bhd has given its consent to the inclusion of the Taxation Adviser's Letter in the form and context in which it appears in this Replacement Master Prospectus (Islamic Funds) Issue No. 13 and has not withdrawn such consent before the date of issue of this Replacement Master Prospectus (Islamic Funds) Issue No. 13.

11. DISTRIBUTORS OF THE FUNDS

As at LPD, the Funds are available (but not limited to) from the following:

11.1. OUR BRANCHES

Main Branch
Northern Branch
Southern Branch
Sarawak Branch
Sabah Branch
Melaka Branch
Kuantan Branch
Kota Bharu Branch

For information and updates on our branches, please contact our Customer Care Centre under the “Corporate Directory” section during business hour between 8:45 a.m. and 5:45 p.m. (Malaysian time) from Mondays to Fridays or refer to our website at www.principal.com.my.

11.2. PRINCIPAL DISTRIBUTORS

Nsg Wealth Advisors

No 8 Jalan BM 7/19
Seksyen 7
Bandar Bukit Mahkota
Kajang 43000 Selangor
Tel: (603) 8920 8277

Platinum

E5-03 Empire Damansara
Jalan PJU 8/8
Damansara Perdana
47820 Petaling Jaya
Tel: (603) 7843 0506

Dynamics Wealth Advisors

(formerly known as Star Pesona Advisors)
(secondly known as Professional 5 star wealth advisors)
Unit B-3A-1 Setiawangsa Business Suites
Jalan Setiawangsa 11
Taman Setiawangsa
54200 Kuala Lumpur
Tel: (603) 4256 6277

Megas

2-6A Jalan PJU 8/3A
Bandar Damansara Perdana
47820 Petaling Jaya
Selangor
Tel: (603) 7725 6320

Amg Synergy Multiresources Sdn Bhd

3rd Floor
No 45 Jalan Teluk Sisek
25000 Kuantan Pahang
Tel: (609) 5161 430

Elite Group Consultants

No 6-2 Jalan Dagang 1/1A
Taman Dagang
68000 Ampang
Selangor
Tel: (603) 4251 1129

Success Concepts Life Planners

Charisma Legacy

B-1-22 & B-2-22 & B-2-21
Block B 10 Boulevard
Jalan Cempaka Sungai Kayu Ara
47400 Petaling Jaya
Selangor
Tel: (603) 7722 3895

AAAAA Wealth Builders

(formerly known as O-tye Group Consultants)
Lot C-615 & Lot C-616
Level 6 Block C Kelana Square
17 Jalan SS7/26
Kelana Jaya
47301 Petaling Jaya Selangor
Tel: (603)-7880 6893

My Financial Freedom Advisors

(formerly known as M\$G Prominent Consultants)
No.3A, Jalan Hentian 3
Pusat Hentian Kajang
43000 Kajang
Selangor
Tel: (603) 8741 4382

Preferred Wealth Advisors

(formerly known as Titan Empire)
No 12-01 D'bayu Business Center
Jalan Serambi U8/24
Bukit Jelutong
40150 Shah Alam
Selangor
Tel: (603) 6142 8382

Otye Xcellence Consultants

Lot No 35-2 2nd Floor
Jalan Sepah Puteri 5/1B
Pusat Dagangan Seri Utama
PJU 5 Kota Damansara
47410 Selangor
Tel: (603) 6140 3046

Prestige Wealth Advisors

I-91-2 Block I
Jalan Teknologi 3/9
Kota Damansara
47810 Petaling Jaya
Selangor
Tel: (603) 6140 7275

Magnificent Champion Agency Office

J-06-01 Level 6 Block J
Solaris Mont' Kiara
Jalan Solaris
50480 Kuala Lumpur
Tel: (603) 6204 0113

Aces Advisors

Unit D5-6 Ritze Perdana 1
Jalan PJU 8/2
Damansara Perdana
47820 Petaling Jaya, Selangor
Tel: (6016) 2292 342

GVG Solution Agency

No. 12-01 Jalan Setia Tropika 1/29
Taman Setia Tropika
Johor Bahru
81200 Johor
Tel: (607) 2326 976

Tremendous Wealth Advisors

No 11 Level 2
Jalan Pelabur B 23/B
Section 23
40300 Shah Alam
Selangor Darul Ehsan
Tel: (603) 5480 0296

Soha Barakah Wealth Consultancy

No 55-2, 57-2, 59-2
Jalan Tu 49A Taman Tasik Utama
Ayer Keroh
75450 Melaka
Tel: (606) 2533 289

Evoque Wealth Advisors

2nd Floor No 32A-2 Jalan PJU 5/20d The Strand
Pusat Perdagangan Kota Damansara
Kota Damansara PJU 5
47810 Petaling Jaya
Selangor
Tel: (603) 6151 9512

Premierone Wealth

No 527-1 Jalan Pusat Bandar Senawang
Pusat Bandar Senawang
70450 Senawang
Negeri Sembilan
Tel: (606) 6718 253

Charisma Legacy 1

B-3-21 Block Bougainvillea
10 Boulevard Lebuhraya Sprint PJU 6A
47400 Petaling Jaya
Selangor
Tel: (603) 7733 5009

Nrich Wealth Advisory Group

ZP-02-12 Zest Point
Lebuhraya Bukit Jalil
Bandar Kinrara
47180 Puchong
Selangor
Tel: (603) 8074 8485

Synergy Wealth Entrepreneur

98-2 Jalan Dwitasik
Dataran Dwitasik
Bandar Sri Permaisuri
Cheras
56000 Kuala Lumpur
Tel: (603) 9226 5344

KPG Capital Growth Solution

No 15-1 Jalan Adenium 2G/9
Adenium Business Centre
48300 Bukit Beruntung
Rawang Selangor
Tel: (603) 6021 7188

47A, Tingkat 1
Jalan Badminton 13/29
Seksyen 13, Shah Alam
40100 Selangor
Tel: (603) 5523 2693

Premier Wealth Advisors

No 18-1 S2 B18
Biz Avenue Seremban 2
70300 Seremban
Negeri Sembilan
Tel: (606) 6015 749

My IFP Kemaman

PT 10725, Ground Floor
Jalan Kubang Kurus
Taman Cukai Utama Fasa 4
24000 Kemaman
Terengganu
Tel: (609) 8589 911

Wealth Resources Group Advisors

No 41B 3B Curve Business Park
Medan Pusat Bandar 2D Seksyen 9
43650 Bandar Baru Bangi
Selangor
Tel: (603) 8926 4155

GVG Pasir Gudang Solution

No 38-01 Jalan Serangkai 18
Taman Bukit Dahlia
81700 Pasir Gudang
Johor
Tel: (6012) 7076 107

KPG Management Resources

19-1 Jalan Adenium 2G/9
Adenium Business Center
Bukit Beruntung
48300 Rawang
Selangor
Tel: (603) 6021 7385

Victorious Agency

33-01 Jalan Tampoi Susur 1
81200 Johor Bahru
Johor
Tel: (6011) 1211 840

KPG Elite Billionaire

No 15-1 Jalan Adenium 2g/9
Adenium Business Centre
48300 Bukit Beruntung
Rawang Selangor
Tel: (603) 6021 7188

Charisma Legacy 3

B-3-17 Blok Bouganvilla 10 Boulevard
Lebuh Raya Sprint Pju 6A Kayu Ara
Damansara Jaya
47400 Petaling Jaya
Selangor
Tel: (603) 7733 4211

Charisma Legacy Kota Bharu

PT1671 & 1672 Tingkat 2
Jalan Raja Perempuan Zainab 2
Kubang Kerian
16150 Kota Bharu
Kelantan
Tel: (6016) 2236 343

Global Amazing Entrepreneur

C-10-2 & C-11-2
Bangi Gateway Shopping Complex
Persiaran Pekililing Seksyen 15
43650 Bandar Baru Bangi
Selangor
Tel: (603) 8920 9038

NZ Group

PT 650 1st & 2nd Floor
Jalan Sri Cemerlang
Seksyen 27
15300 Kota Bharu
Kelantan
Tel: (609) 7476 932

Zenith Premier Wealth Advisors

No 98 Second Floor
Jalan Legenda 1
Legenda Heights
08000 Sungai Petani
Kedah
Tel: (604) 4246 042

Millionaire Empire Group

23-1 Jalan Rejang 4
Setapak Jaya
53300 Kuala Lumpur
Tel: (603) 4141 6644

Charisma Legacy 2

B-3-25 Block Bougainvillea
10 Boulevard Lebuhraya Sprint
PJU 6A
47400 Petaling Jaya
Selangor
Tel: (603) 7733 2460

Sa@7

No. 35B-2 (2nd Floor)
Jalan Keluli Am 7/AM
Pusat Perniagaan Bukit Raja Seksyen 7
400000 Shah Alam
Selangor
Tel: (603) 3341 4978

Finaims

Suite 3a Level 4 Starling Mall
Damansara Uptown
47400 Petaling Jaya
Selangor
Tel: (6013) 3257 653

11.3. IUTAs**CIMB Bank Berhad**

(Distributor for DALI, DALI2, iOP-MO, DALI4, iOP-EO, iOP-SCO, iLI-B, iLI-BG, iLI-ES, iLI-S, and iDY-APDE)

CIMB Islamic Bank Berhad

(Distributor for DALI, DALI2, iOP-MO, DALI4, iOP-EO, iOP-SCO, iLI-B, iLI-BG, iLI-ES, iLI-S, and iDY-APDE)

Affin Bank Berhad

(Distributor for iDY-APDE)

AmBank Islamic Berhad

(Distributor for iDY-APDE, iLI-B)

Al Rajhi Banking & Investment Corporation (Malaysia) Bhd

(Distributor for iDY-APDE, iLI-S)

Citibank Berhad

(Distributor for iLI-BG and iDY-APDE)

HSBC Amanah Malaysia Berhad

(Distributor for iLI-B, iOP-EO, iLI-S and iDY-APDE)

IFAST Capital Sdn Bhd

(Distributor for iOP-MO, iDY-APDE, iOP-EO, iLI-B, iLI-BG, iLI-S, iLI-ES and iOP-SCO)

Kuwait Finance House (Malaysia) Berhad

(Distributor for DALI, DALI2, and iDY-APDE)

OCBC Bank (Malaysia) Berhad

(Distributor for iDY-APDE, iLI-B, iLI-BG, iOP-EO and iLI-ES)

RHB Bank Berhad

(Distributor for DALI2, iDY-APDE, iOP-EO, iOP-SCO, iLI-B, iLI-BG and iLI-ES)

United Overseas Bank (Malaysia) Bhd

(Distributor for iOP-EO, iOP-SCO and iDY-APDE)

CIMB Investment Bank Berhad – Retail Equities

(Distributor iOP-MO, iOP-EO, iLI-BG, iLI-ES, and iDY-APDE)

CIMB Private Banking

(Distributor for DALI, DALI2, iOP-MO, DALI4, iOP-EO, iOP-SCO, iLI-B, iLI-BG, iLI-ES, iLI-S, and iDY-APDE)

AmBank (M) Berhad

(Distributor for iDY-APDE, iLI-B)

AmInvestment Bank Berhad

(Distributor for DALI, DALI2, DALI4, iOP-EO, iOP-SCO, iLI-B, iLI-BG and iLI-S)

Bank Kerjasama Rakyat Malaysia Berhad

(Distributor for DALI, DALI4, iLI-B, and iDY-APDE)

Hong Leong Bank Berhad

(Distributor for DALI2, iOP-EO, iOP-SCO, iLI-B, iLI-BG, iLI-ES, and iDY-APDE)

HSBC Bank Malaysia Berhad

(Distributor for iLI-B, iOP-EO, iLI-S and iDY-APDE)

Kenanga Investment Bank Berhad

(Distributor for DALI, DALI2, DALI4, iOP-EO, iOP-SCO, iLI-B, iLI-BG, iLI-ES, iLI-S, and iDY-APDE)

OCBC Al-Amin Bank Berhad

(Distributor for iDY-APDE, iLI-B, iLI-BG, iOP-EO and iLI-ES)

Phillip Mutual Berhad

(Distributor for iOP-EO, iOP-SCO, iLI-B, iLI-BG, iLI-ES, iLI-S, iDY-APDE and iOP-MO)

Standard Chartered Bank Malaysia Berhad

(Distributor for iDY-APDE, iLI-BG and iOP-MO)

UOB Kay Hian Securities (M) Sdn Bhd

(Distributor for DALI, DALI2, iOP-MO, DALI4, iOP-EO, iOP-SCO, iLI-B, iLI-BG, iLI-ES, iLI-S, and iDY-APDE)

Note: We have the discretion in determining the Distributors of the Classes of the Funds, including its appointment and/or termination from time to time. For updated and more information on the Distributors of the Funds, please contact our **Customer Care Centre** under the “Corporate Directory” section during business hour between 8:45 a.m. and 5:45 p.m. (Malaysian time) from Mondays to Fridays or refer to our website at www.principal.com.my.

Principal Asset Management Berhad (199401018399 (304078-K))

Enquiries:

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