

MASTER PROSPECTUS (SHARIAH-COMPLIANT FUNDS)

Investments that stand the test of time

FORWARD  Your Investments



 **CIMB Principal**
ASSET MANAGEMENT

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

Trustee : AmanahRaya Trustees Berhad (766894-T) **MTrustee Berhad** (formerly known as AmTrustee Berhad)
HSBC (Malaysia) Trustee Berhad (1281-T) (163032-V)
Universal Trustee (Malaysia) Berhad (17540-D) **Maybank Trustees Berhad** (5004-P)

This Master Prospectus (Shariah-compliant Funds) is dated **30 June 2017** and incorporates the following 13 Funds namely:

Equity Funds : CIMB Islamic DALI Equity Growth Fund (constituted on 7 May 1998), CIMB Islamic DALI Equity Fund (constituted on 30 April 2003), CIMB Islamic Al-Azzam Equity Fund (constituted on 1 August 2012), CIMB Islamic DALI Asia Pacific Equity Growth Fund (constituted on 8 October 2004), CIMB Islamic Equity Aggressive Fund (constituted on 15 June 1995), CIMB Islamic Small Cap Fund (constituted on 30 April 2003) and CIMB Islamic Asia Pacific Equity Fund (constituted on 2 June 2006).

Mixed Asset Funds : CIMB Islamic Balanced Fund (constituted on 8 March 2001) and CIMB Islamic Balanced Growth Fund (constituted on 26 May 2003).

Sukuk & Money Market Funds : CIMB Islamic Enhanced Sukuk Fund (constituted on 23 February 2005), CIMB Islamic Sukuk Fund (constituted on 8 October 2004), CIMB Islamic Money Market Fund (constituted on 17 March 2008) and CIMB Islamic Deposit Fund (constituted on 9 September 2009).

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS MASTER PROSPECTUS. 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 21.

ABOUT THIS DOCUMENT

This is a Master Prospectus (Shariah-compliant Funds) that introduces you to CIMB-Principal and its diverse range of Shariah-compliant Funds comprising equity funds, mixed asset funds and sukuk and money market funds. This Master Prospectus (Shariah-compliant Funds) outlines in general the information you need to know to make an informed decision as to which Fund best suits your financial needs.

If you have any questions about the information in this Master Prospectus (Shariah-compliant Funds) or would like to know more about investing in the CIMB-Principal family of unit trust funds, please call CIMB-Principal Customer Care Centre at (03) 7718 3100 between 8:30 a.m. and 5:30 p.m. (Malaysian time), Mondays to Fridays (except on Selangor public holidays).

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

Please note that all references to currency amounts and NAV per unit in this Master Prospectus (Shariah-compliant Funds) are in Malaysian Ringgit unless otherwise indicated.

MASTER PROSPECTUS (SHARIAH-COMPLIANT FUNDS) DETAILS

Issue No.	10
Prospectus Date	30 June 2017

RESPONSIBILITY STATEMENTS

This Master Prospectus (Shariah-compliant Funds) has been reviewed and approved by the directors of CIMB-Principal 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 (Shariah-compliant Funds) false or misleading.

STATEMENTS OF DISCLAIMER

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

The authorisation of the Funds, and registration of this Master Prospectus (Shariah-compliant Funds), should not be taken to indicate that 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 (Shariah-compliant Funds).

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

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

ADDITIONAL STATEMENTS

Investors should note that they may seek recourse under the *Capital Markets and Services Act 2007* for breaches of securities laws including any statement in the Master Prospectus (Shariah-compliant 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 (Shariah-compliant Funds) or the conduct of any other person in relation to the Funds.

CIMB Islamic DALI Equity Growth Fund, CIMB Islamic DALI Equity Fund, CIMB Islamic Al-Azzam Equity Fund, CIMB Islamic DALI Asia Pacific Equity Growth Fund, CIMB Islamic Equity Aggressive Fund, CIMB Islamic Small Cap Fund, CIMB Islamic Asia Pacific Equity Fund, CIMB Islamic Balanced Fund, CIMB Islamic Balanced Growth Fund, CIMB Islamic Enhanced Sukuk Fund, CIMB Islamic Sukuk Fund, CIMB Islamic Money Market Fund and CIMB Islamic Deposit Fund have been certified as being Shariah-compliant by the Shariah Adviser appointed for these Funds.

DEFINITIONS

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

Application Fee	- Preliminary charge on each investment.
ART	- AmanahRaya Trustees Berhad.
BNM	- Bank Negara Malaysia.
Bursa Malaysia	- Bursa Malaysia Securities Berhad.
Business Day	- Mondays to Fridays when Bursa Malaysia is open for trading, and/or banks in Kuala Lumpur and/or Selangor are open for business. Note: We may declare certain Business Days 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. This information will be communicated to you via our website at http://www.cimb-principal.com.my . Alternatively, you may contact our Customer Care Centre at 603- 7718 3100.
CIMB	- CIMB Investment Bank Berhad.
CIMB Group	- CIMB Group Sdn. Bhd.
CIMB Islamic or Shariah Adviser	- CIMB Islamic Bank Berhad.
CIMB-Principal or the Manager	- CIMB-Principal Asset Management Berhad.
CIMB-Principal (S)	- CIMB-Principal Asset Management (S) Pte. Ltd.
CIMB-Principal Fund	- Any unit trust funds that may be offered by CIMB-Principal.
CIS	- Refers to collective investment schemes as defined under the SC Guidelines.
CMSA	- Capital Markets and Services Act 2007.
CWA	- Refers to the unit trust consultants of CIMB-Principal.
Deed	- The principal deed and any supplemental deed in respect of the Funds made between us, the Trustee and the Unit holders of the Funds, agreeing to be bound by the provisions of the respective Deeds.
Deposit	- As per the definition of "Islamic deposit" in the Islamic Financial Services Act 2013. Note: To exclude Islamic structured deposits.
Distributor	- Any relevant persons and bodies appointed by CIMB-Principal from time to time, who are responsible for selling units of the Funds.
Eligible Market	- A market which is regulated by a regulatory authority, operates regularly, is open to the public and has adequate liquidity for the purposes of the Fund.
EPF	- Employees' Provident Fund.
EPF-MIS	- EPF's Members Investment Scheme.
Exchange-Traded Fund or ETF	- An authorised collective investment scheme listed on the exchange.
FBM EMAS Shariah Index	- FTSE Bursa Malaysia EMAS Shariah Index.
Fitch	- Fitch Ratings.
FTSE	- Financial Times Stock Exchange.
Fund	Refers to CIMB-Principal Funds which are segregated into three different sections: - <u>SECTION 1: EQUITY FUNDS</u> CIMB Islamic DALI Equity Growth Fund DALI CIMB Islamic DALI Equity Fund DALI2 CIMB Islamic Al-Azzam Equity Fund Azzam CIMB Islamic DALI Asia Pacific Equity Growth Fund DALI4 CIMB Islamic Equity Aggressive Fund IEAF CIMB Islamic Small Cap Fund ISCF CIMB Islamic Asia Pacific Equity Fund IAPEF <u>SECTION 2: MIXED ASSET FUNDS</u> CIMB Islamic Balanced Fund IBF CIMB Islamic Balanced Growth Fund IBGF <u>SECTION 3: SUKUK & MONEY MARKET FUNDS</u> CIMB Islamic Enhanced Sukuk Fund IESF CIMB Islamic Sukuk Fund ISF CIMB Islamic Money Market Fund IMMF

FYE	- Financial year end.
HSBCT	- HSBC (Malaysia) Trustee Berhad.
GDP	- Gross Domestic Product.
GII	- Government Investment Issues.
GST	- Refers to the tax levied on goods and services pursuant to the Goods and Services Tax Act 2014.
IDC	- Interactive Data Corporation.
IMS	- Investment Management Standards issued by the Federation of Investment Managers Malaysia.
IOSCO	- International Organization of Securities Commissions. For further details, please refer to http://www.iosco.org .
IUTA	- Institutional Unit Trust Advisers.
LPD	- Latest Practicable Date i.e. 30 April 2017, 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 Fund that is paid to us for managing the portfolio of the Fund.
Master Prospectus (Shariah-compliant Funds)	- Refers to the disclosure document issued by us describing the details of the Funds.
Medium-term	- Refers to a period of three (3) years.
Moody's	- Moody's Investors Service.
MSCI	- Morgan Stanley Capital International.
MTB	- Maybank Trustees Berhad.
MTrustee	- MTrustee Berhad.
NAV	- Net Asset Value.
NAV of the Fund	- The NAV of the Fund is the value of all 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 of the Fund divided by the number of units in circulation, at the valuation point.
OTC	- Over-the-counter.
PIA	- Principal International (Asia) Ltd.
PFG	- Principal Financial Group and its affiliates.
RAM	- RAM Rating Services Berhad
REIT	- Real Estate Investment Trust.
RM or MYR	- Malaysian Ringgit
S&P	- Standard & Poor's.
SAC	- Shariah Advisory Council.
SC	- Securities Commission Malaysia.
SC Guidelines	- Guidelines on Unit Trust Funds issued by the SC.
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 ijihad of ulamak (personal effort by qualified Shariah scholars to determine the true ruling of the divine law on matters whose revelations are not explicit).
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. Note: For local Sukuk, it must also comply with concepts endorsed by the SAC.

Switching Fee	- A charge that may be levied when switching is done from one (1) Fund 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 Shariah-compliant fixed income securities	- Refers to Shariah-compliant 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: <i>In this context, Unrated Shariah-compliant fixed income securities are not junk Shariah-compliant fixed income securities. The Fund will only invest in Unrated Shariah-compliant fixed income securities that fulfil the selection criteria of our credit evaluation process.</i>
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: <i>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.</i>
Unit holder	- The registered holder for the time being of a unit of the Fund including persons jointly so registered.
US or USA	- United States of America.
USD	- United States Dollar.
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

CIMB-Principal Asset Management Berhad

Business address

10th Floor Bangunan CIMB
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur
Tel : (03) 2084 8888

Registered address

13th Floor, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur Malaysia
Tel : (03) 2261 8888

Postal address

CIMB-Principal Asset Management Berhad
PO Box 10571
50718 Kuala Lumpur MALAYSIA

Customer Care Centre

50, 52 & 54 Jalan SS 21/39
Damansara Utama
47400 Petaling Jaya Selangor MALAYSIA
Tel : (03) 7718 3100
Fax : (03) 7718 3003

Website

<http://www.cimb-principal.com.my>

E-mail

service@cimb-principal.com.my

Shariah Adviser of the Funds

CIMB Islamic Bank Berhad

Business address

Level 34, Menara Bumiputra-Commerce
11, Jalan Raja Laut
50350 Kuala Lumpur MALAYSIA
Tel : (03) 2619 1188
Fax : (03) 2691 3513

Registered address

13th Floor, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur MALAYSIA
Tel : (03) 2261 8888

Sub-Manager for IAPEF, DALI2, DALI4 & IBF

CIMB-Principal Asset Management (S) Pte. Ltd.

Business/Registered address

50 Raffles Place
#22-03A Singapore Land Tower
SINGAPORE 048623
Tel : (65) 6210 8488

Business/Registered address

65, Chulia Street
#46-00 OCBC Centre
SINGAPORE 049513
Tel : (65) 6535 3411
Fax : (65) 6536 6626

The Trustees

Trustee for Azzam, DALI4, IEAF & ISF

AmanahRaya Trustees Berhad

Business address

Tingkat 2, Wisma AmanahRaya II
No. 21, Jalan Melaka
50100 Kuala Lumpur MALAYSIA
Tel : (03) 2036 5000/5129
Fax : (03) 2072 0322
<http://www.artrustees.com.my>

Registered address

Tingkat 11, Wisma AmanahRaya
No. 2, Jalan Ampang
50508 Kuala Lumpur MALAYSIA
Tel : (03) 2055 7388

Trustee for DALI & IMMF

MTrustee Berhad

Business address

15th Floor, Menara AmFirst
1, Jalan 19/3
46300 Petaling Jaya Selangor MALAYSIA
Tel : (03) 7954 6862
Fax : (03) 7954 3712

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, ISCF and IBF

Universal Trustee (Malaysia) Berhad (17540-D)

Business/Registered address

1, Jalan Ampang (3rd Floor)
50450 Kuala Lumpur MALAYSIA
Tel : (03) 2070 8050
Fax : (03) 2031 8715 / 2032 3194 / 2070 1296

Trustee for the IBGF

Maybank Trustees Berhad

Business/Registered address

8th Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur
Tel : (03) 2074 8580/ 2074 8952
Fax : (03) 2070 9387
mtb.ut@maybank.com.my

Trustee for IESF, IDF & IAPEF

HSBC (Malaysia) Trustee Berhad (1281-T)

Business/Registered address

13th Floor, Bangunan HSBC, South Tower,
No 2, Leboh Ampang,
50100 Kuala Lumpur MALAYSIA
Tel : (03) 2075 7800
Fax : (03) 2179 6511

Note: You may contact our **Customer Care Centre** at **(03) 7718 3100** for more information.

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1. FUNDS INFORMATION

1.1. FUNDS DETAILS

EQUITY FUNDS

1.1.1. CIMB ISLAMIC 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 http://www.bursamalaysia.com.</i>
Distribution Policy	: We have the discretion to distribute a part or all of the Fund's distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Fund.
Launch Date	: 7 May 1998.

Investment Policy and Principal Investment 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 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 Moody's or Fitch. The Fund may also opt to seek investment exposure via Shariah-compliant CIS that is in line with the Fund's objective, subject to the requirements of the SC Guidelines. 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 investments; and
- at least 2% of the Fund's NAV will be invested in Shariah-compliant 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 in managing the Fund.

We may take 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 Shariah-compliant 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 Shariah-compliant derivative instruments, subject to the SC Guidelines, for the purpose of hedging. In the event of a downgrade of a counter-party of an OTC Shariah-compliant derivative below the minimum long-term rating as per the SC Guidelines, we reserve the right to deal with the OTC Shariah-compliant derivative in the best interest of the Unit holders.

If the Fund is eligible to be invested via the EPF-MIS, investment in futures and options will be subject to the EPF's requirements. 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 <http://www.cimb-principal.com.my> or <http://www.kwsp.gov.my> for updated information.

1.1.2. CIMB ISLAMIC 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 http://www.bursamalaysia.com. Information on the MSCI AC Asia ex Japan Islamic Index can be obtained from https://www.msci.com/indexes. Information on the benchmark can be obtained from http://www.cimb-principal.com.my.</i>
Distribution Policy	: We have the discretion to distribute a part or all of the Fund's distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Fund.
Launch Date	: 30 April 2003.

Investment Policy and Principal Investment Strategy

The Fund is a Shariah-compliant equity growth fund and is a continuation of the CIMB Islamic DALI Equity Growth Fund. 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 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 Moody's or Fitch. The Fund may opt to invest in Shariah-compliant foreign equities up to a maximum of 30% of its NAV. Such foreign equities must be equity 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 30% 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). The Fund may also opt to seek investment exposure via Shariah-compliant CIS that is in line with the Fund's objective, subject to the requirements of the SC Guidelines. 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 investments; and
- at least 2% of the Fund's NAV in Shariah-compliant 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 markets where the regulatory authorities are ordinary or associate members of the IOSCO. 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 CIMB-Principal (S), as the Sub-Manager for the foreign investments of the Fund. The Sub-Manager will be responsible for investing and managing these foreign investments in accordance with the investment objective and within the investment restrictions. 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 in managing the Fund.

We may take 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 Shariah-compliant 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 Shariah-compliant derivative instruments, subject to the SC Guidelines, for the purpose of hedging. In the event of a downgrade of a counter-party of an OTC Shariah-compliant derivative below the minimum long-term rating as per the SC Guidelines, we reserve the right to deal with the OTC Shariah-compliant derivative in the best interest of the Unit holders.

If the Fund is eligible to be invested via the EPF-MIS, investment in futures and options will be subject to the EPF's requirements. 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 <http://www.cimb-principal.com.my> or <http://www.kwsp.gov.my> for updated information.

1.1.3. CIMB ISLAMIC AL-AZZAM EQUITY 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 http://www.bursamalaysia.com.</i>
Distribution Policy	: Given its investment objective, the Fund 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 Fund. <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>
Launch Date	: 1 August 2012.

Investment Policy and Principal Investment 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 Shariah-compliant liquid assets, with at least 2% of the Fund's NAV maintained in the form of Shariah-compliant liquid assets such as Shariah-compliant money market instruments and/or 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 Moody's or Fitch. The Fund may also opt to seek investment exposure via Shariah-compliant CIS that is in line with the Fund's objective, subject to the requirements of the SC Guidelines. 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 Shariah-compliant liquid assets, with at least 2% of the Fund's NAV to be maintained in Shariah-compliant 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 in managing the Fund.

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 Shariah-compliant liquid assets, to safeguard the investment portfolio of the Fund. When deemed necessary, we may also utilize Shariah-compliant derivative instruments, subject to the SC Guidelines, for the purpose of hedging. In the event of a downgrade of a counter-party of an OTC Shariah-compliant derivative below the minimum long-term rating as per the SC Guidelines, we reserve the right to deal with the OTC Shariah-compliant derivative in the best interest of the Unit holders.

If the Fund is eligible to be invested via the EPF-MIS, investment in futures and options will be subject to the EPF's requirements. 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 <http://www.cimb-principal.com.my> or <http://www.kwsp.gov.my> for updated information.

* We define "reasonable valuations" as below, but this 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. CIMB ISLAMIC 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 http://www.bursamalaysia.com. Information on the MSCI AC Asia ex Japan Islamic Index can be obtained from https://www.msci.com/indexes. Information on the benchmark can be obtained from http://www.cimb-principal.com.my.</i>
Distribution Policy	: We have the discretion to distribute a part or all of the Fund's distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Fund.
Launch Date	: 8 October 2004.

Investment Policy and Principal Investment 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 investments. The Fund may opt to invest in Shariah-compliant foreign equities up to a maximum of 70% of its NAV. Such foreign equities must be equity 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 30% 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). The Fund may also opt to seek investment exposure via Shariah-compliant CIS that is in line with the Fund's objective, subject to the requirements of the SC Guidelines. In addition, Shariah-compliant 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 investments; and
- at least 2% of the Fund's NAV in Shariah-compliant 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 markets where the regulatory authorities are ordinary or associate members of the IOSCO. 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 CIMB-Principal (S), as the Sub-Manager for the foreign investments of the Fund. The Sub-Manager will be responsible for investing and managing these foreign investments in accordance with the investment objective and within the investment restrictions. 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 in managing the Fund.

We may take 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 Shariah-compliant 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 Shariah-compliant derivative instruments, subject to the SC Guidelines, for the purpose of hedging. In the event of a downgrade of a counter-party of an OTC Shariah-compliant derivative below the minimum long-term rating as per the SC Guidelines, we reserve the right to deal with the OTC Shariah-compliant derivative in the best interest of the Unit holders.

If the Fund is eligible to be invested via the EPF-MIS, investment in futures and options will be subject to the EPF's requirements. 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 <http://www.cimb-principal.com.my> or <http://www.kwsp.gov.my> for updated information.

1.1.5. CIMB ISLAMIC EQUITY AGGRESSIVE 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>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 http://www.bursamalaysia.com</i>
Distribution Policy	: Distribution (if any) is expected to be distributed every January at our discretion.
Launch Date	: 15 June 1995.

Investment Policy and Principal Investment 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 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 with benchmarking of the Fund being a secondary consideration. As such, the Fund may hold a larger percentage of its NAV (may exceed 10%) in Shariah-compliant stocks of companies with small capitalization. The Fund may also opt to seek investment exposure via Shariah-compliant CIS that is in line with the Fund's objective, subject to the requirements of the SC Guidelines. In addition, Shariah-compliant 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 investments; and
- at least 2% of the Fund's NAV in Shariah-compliant 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 in managing the Fund.

We may take 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 Shariah-compliant 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 Shariah-compliant derivative instruments, subject to the SC Guidelines, for the purpose of hedging. In the event of a downgrade of a counter-party of an OTC Shariah-compliant derivative below the minimum long-term rating as per the SC Guidelines, we reserve the right to deal with the OTC Shariah-compliant derivative in the best interest of the Unit holders.

If the Fund is eligible to be invested via the EPF-MIS, investment in futures and options will be subject to the EPF's requirements. 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 <http://www.cimb-principal.com.my> or <http://www.kwsp.gov.my> for updated information.

1.1.6. CIMB ISLAMIC SMALL CAP 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 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 http://www.bursamalaysia.com</i>
Distribution Policy	: We have the discretion to distribute a part or all of the Fund's distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Fund.
Launch Date	: 30 April 2003.

Investment Policy and Principal Investment 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 securities 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 investments such as Shariah-compliant fixed income securities for the purpose of cash management. The Fund may also opt to seek investment exposure via Shariah-compliant CIS that is in line with the Fund's objective, subject to the requirements of the SC Guidelines. In addition, Shariah-compliant liquid assets may be strategically used if we feel that the market downside risk is high in the short-term.

**Emerging companies in this context refers to companies that are listed on Bursa Malaysia with market capitalization of up to three (3) billion Malaysian Ringgit 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 Malaysian Ringgit but not more than five (5) billion Malaysian Ringgit at the point of purchase#.*

#With effective 1st September 2017, the Fund may invest up to 20% of its NAV in companies with market capitalization above three (3) billion Malaysian Ringgit but not more than five (5) billion Malaysian Ringgit 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 investments; and
- at least 2% of the Fund's NAV in Shariah-compliant 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 in managing the Fund.

We may take 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 Shariah-compliant 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 Shariah-compliant derivative instruments, subject to the SC Guidelines, for the purpose of hedging. In the event of a downgrade of a counter-party of an OTC Shariah-compliant derivative below the minimum long-term rating as per the SC Guidelines, we reserve the right to deal with the OTC Shariah-compliant derivative in the best interest of the Unit holders.

If the Fund is eligible to be invested via the EPF-MIS in futures and options will be subject to the EPF's requirements. 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 <http://www.cimb-principal.com.my> or <http://www.kwsp.gov.my> for updated information.

1.1.7. CIMB ISLAMIC ASIA PACIFIC 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 https://www.msci.com/indexes.</i>
Distribution Policy	: Regular distributions are not the focus of this fund. Distributions, if any, are at our discretion.
Launch Date	: 2 June 2006.

Investment Policy and Principal Investment Strategy

The Fund is predominantly an equity fund which invests through equity securities of companies domiciled in, listed in, and/or have significant operations in the emerging and developed markets of Asia Pacific ex Japan, i.e. Hong Kong SAR, Taiwan, Korea, the People's Republic of China, Indonesia, Malaysia, India, Thailand, the Philippines, Sri Lanka, Singapore, Australia and New Zealand. '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 30% 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). Between 70% to 98% (both inclusive) of the Fund's NAV can be invested in Shariah-compliant equities, Shariah-compliant warrants, Shariah-compliant options or other Shariah-compliant stock purchase rights, participation in Shariah-compliant CIS which are permitted under the SC Guidelines. Up to 30% of the Fund may also invest into Sukuk and 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 Moody's or Fitch.

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 Deposits; and
- at least 2% of the Fund's NAV in Shariah-compliant liquid assets.

We have appointed CIMB-Principal (S), as the Sub-Manager for the foreign investments of the Fund. The Sub-Manager will be responsible for investing and managing these foreign investments in accordance with the investment objective and within the investment restrictions. 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 in managing the Fund.

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 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 Shariah-compliant derivative instruments, subject to the SC Guidelines, for the purpose of hedging. In the event of a downgrade of a counter-party of an OTC Shariah-compliant derivative below the minimum long-term rating as per the SC Guidelines, we reserve the right to deal with the OTC Shariah-compliant derivative in the best interest of the Unit holders.

If the Fund is eligible to be invested via the EPF-MIS, investment in futures and options will be subject to the EPF's requirements. 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 <http://www.cimb-principal.com.my> or <http://www.kwsp.gov.my> for updated information.

MIXED ASSET FUNDS

1.1.8. CIMB ISLAMIC 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. <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 + 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 http://www.bursamalaysia.com. Information on MSCI AC Asia ex Japan Islamic Index can be obtained from https://www.msci.com/indexes. Information on CIMB Islamic 1-month FRIA-i can be obtained from http://www.cimbislamic.com. Information on the benchmark can be obtained from http://www.cimb-principal.com.my.</i>
Distribution Policy	: We have the discretion to distribute a part or all of the Fund's distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Fund.
Launch Date	: 8 March 2001.

Investment Policy and Principal Investment Strategy

The Fund aims to invest in a diversified portfolio of Shariah-compliant equities and Shariah-compliant fixed income investments. In line with its objective, the investment policy and strategy will be to maintain a balanced portfolio between Shariah-compliant equities and Shariah-compliant fixed income investments 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 Shariah-compliant fixed income securities and Shariah-compliant 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 Moody's or Fitch. The Fund may invest up to 40% of its NAV in Unrated Shariah-compliant fixed income securities*. The Fund may opt to invest in Shariah-compliant foreign equities up to a maximum of 30% of its NAV. Such foreign equities must be of equity 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 30% 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). The Fund may also opt to seek investment exposure via Shariah-compliant CIS that is in line with the Fund's objective, subject to the requirements of the SC Guidelines.

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 Shariah-compliant fixed income securities and Shariah-compliant 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 Shariah-compliant fixed income securities*; and
- at least 2% of the Fund's NAV in Shariah-compliant liquid assets.

* With effective 1st January 2018, the investment limit in Unrated Shariah-compliant fixed income securities will be changed from 25% to 40%.

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 in buying and selling of securities for the Fund. 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 markets where the regulatory authorities are ordinary or associate members of the IOSCO. 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 CIMB-Principal (S), as the Sub-Manager for the foreign investments of the Fund. The Sub-Manager will be responsible for investing and managing these foreign investments in accordance with the investment objective and within the investment restrictions. 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 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).

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 Sukuk and Shariah-compliant 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 Shariah-compliant short-term Deposits. When deemed necessary, we may also utilize Shariah-compliant derivative instruments, subject to the SC Guidelines, for the purpose of hedging. In the event of a downgrade of a counter-party of an OTC Shariah-compliant derivative below the minimum long-term rating as per the SC Guidelines, we reserve the right to deal with the OTC Shariah-compliant derivative in the best interest of the Unit holders.

If the Fund is eligible to be invested via the EPF-MIS, investment in futures and options will be subject to the EPF's requirements. 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 <http://www.cimb-principal.com.my> or <http://www.kwsp.gov.my> for updated information.

1.1.9. CIMB ISLAMIC 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>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: <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 FBM EMAS Shariah Index can be obtained from http://www.bursamalaysia.com. Information on the CIMB Islamic 1-month FRIA-i can be obtained from the http://www.cimbislamic.com. Information on the benchmark can be obtained from http://www.cimb-principal.com.my.</i>
Distribution Policy	: Distribution (if any) is expected to be distributed every January at our discretion.
Launch Date	: 26 May 2003.

Investment Policy and Principal Investment Strategy

The Fund aims to invest in a diversified portfolio of Malaysian assets comprising Shariah-compliant equities and Shariah-compliant fixed income investments. In line with its objective, the investment policy and strategy of the Fund is to maintain a balanced portfolio between Shariah-compliant equities and Shariah-compliant fixed income investments 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 Shariah-compliant fixed income securities and Shariah-compliant 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 Moody's or Fitch. The Fund may invest up to 40% of its NAV in Unrated Shariah-compliant fixed income securities*. The Fund may also opt to seek investment exposure via Shariah-compliant CIS that is in line with the Fund's objective, subject to the requirements of the SC Guidelines.

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

* With effective 1st October 2017, the investment limit in Unrated Shariah-compliant fixed income securities will be changed from 25% to 40%.

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 in buying and selling of securities for the Fund.

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 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).

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 Sukuk and Shariah-compliant 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 Shariah-compliant short-term Deposits. When deemed necessary, we may also utilize Shariah-compliant derivative instruments, subject to the SC Guidelines, for the purpose of hedging. In the event of a downgrade of a counter-party of an OTC Shariah-compliant derivative below the minimum long-term rating as per the SC Guidelines, we reserve the right to deal with the OTC Shariah-compliant derivative in the best interest of the Unit holders.

If the Fund is eligible to be invested via the EPF-MIS, investment in futures and options will be subject to the EPF's requirements. 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 <http://www.cimb-principal.com.my> or <http://www.kwsp.gov.my> for updated information.

SUKUK & MONEY MARKET FUNDS

1.1.10. CIMB ISLAMIC 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 http://www.cimbislamic.com. Information on the FBM EMAS Shariah Index can be obtained from http://www.bursamalaysia.com. Information on the benchmark can be obtained from http://www.cimb-principal.com.my.</i>
Distribution Policy	: Distribution (if any) is expected to be distributed annually at our discretion.
Launch Date	: 23 February 2005.

Investment Policy and Principal Investment 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 Moody's or Fitch. 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 warrants of Shariah-compliant companies. The investment strategy and policy of the Fund is biased towards Shariah-compliant fixed income investments that aim to provide consistency in income, while allowing some exposure in Shariah-compliant equities and warrants that aim to provide the added return in a rising market. The Fund may also opt to seek investment exposure via Shariah-compliant CIS that is in line with the Fund's objective, subject to the requirements of the SC Guidelines.

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 warrants; and
- at least 2% of the Fund's NAV in Shariah-compliant liquid assets.

* With effective 1st January 2018, the investment limit in Unrated Sukuk will be changed from 25% to 40%.

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 in buying and selling of securities for the Fund.

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 markets where the regulatory authorities are ordinary or associate members of the IOSCO. 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).

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 Sukuk and Shariah-compliant 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 Shariah-compliant short-term Deposits. When deemed necessary, we may also utilize Shariah-compliant derivative instruments, subject to the SC Guidelines, for the purpose of hedging. In the event of a downgrade of a counter-party of an OTC Shariah-compliant derivative below the minimum long-term rating as per the SC Guidelines, we reserve the right to deal with the OTC Shariah-compliant derivative in the best interest of the Unit holders.

If the Fund is eligible to be invested via the EPF-MIS, investment in futures and options will be subject to the EPF's requirements. 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 <http://www.cimb-principal.com.my> or <http://www.kwsp.gov.my> for updated information.

1.1.11. CIMB ISLAMIC 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>We will require your approval if there is any material change to the Fund's investment objective.</i>
Benchmark	: Quantshop GII Medium 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 http://www.quantshop.com.</i>
Distribution Policy	: Distribution (if any) is expected to be distributed annually, depending on the performance of the Fund and at our discretion.
Launch Date	: 8 October 2004.

Investment Policy and Principal Investment 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 Moody's or Fitch. The Fund may invest up to 40% of its NAV in Unrated Sukuk* and up to 28% of its NAV in other permissible investments. In line with its objective, the investment strategy and policy of the Fund is to invest in a diversified portfolio of Shariah-compliant fixed income securities consisting of Sukuk, aim to provide a steady stream of income from the profit of Sukuk. The Fund may also opt to seek investment exposure via Shariah-compliant CIS that is in line with the Fund's objective, subject to the requirements of the SC Guidelines. The rest of the Fund is maintained in the form of Shariah-compliant 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 investments;
- up to 40% of the Fund's NAV in Unrated Sukuk*; and
- at least 2% of the Fund's NAV in Shariah-compliant liquid assets.

* With effective 1st December 2017, the investment limit in Unrated Sukuk will be changed from 25% to 40%.

We will adopt an active trading strategy in buying and selling of securities for the Fund. 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 markets where the regulatory authorities are ordinary or associate members of the IOSCO. 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).

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 Deposits. We may also from time to time invest in Shariah-compliant liquid assets to safeguard the investment portfolio of the Fund. When deemed necessary we may also utilize Shariah-compliant derivative instruments, subject to the SC Guidelines, for the purpose of hedging. In the event of a downgrade of a counter-party of an OTC Shariah-compliant derivative below the minimum long-term rating as per the SC Guidelines, we reserve the right to deal with the OTC Shariah-compliant derivative in the best interest of the Unit holders.

If the Fund is eligible to be invested via the EPF-MIS, investment in futures and options will be subject to the EPF's requirements. 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 <http://www.cimb-principal.com.my> or <http://www.kwsp.gov.my> for updated information.

1.1.12. CIMB ISLAMIC MONEY MARKET FUND

Fund Category/Type	: Money Market (Shariah-compliant) / Income.
Investment Objective	: Aims to provide investors with liquidity and regular income, whilst maintaining capital stability by investing primarily in money market instruments that conform with Shariah principles. <i>We will require your approval if there is any material change to the Fund's investment objective.</i>
Benchmark	: 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. The 1-month FRIA-i rate is reflective of the objective of the Fund for the Shariah-compliant fixed income portion. Thus, you are cautioned that the risk profile of the Fund is higher than the benchmark. Information on the benchmark can be obtained from http://www.cimbislamic.com.</i>
Distribution Policy	: Monthly, depending on the level of income (if any) the Fund generates.
Launch Date	: 17 March 2008.

Investment Policy and Principal Investment Strategy

The Fund will place at least 90% of its NAV in Shariah-compliant money market instruments such as Islamic Accepted Bills, Islamic Negotiable Instruments of Deposits and Islamic Repurchase Agreements (Repo-i) as well as in any other Shariah-compliant fixed income instruments and placements of Deposits, all of which are highly liquid and have a remaining maturity period of less than 365 days. Up to 10% of the Fund's NAV may be invested in Shariah-compliant fixed income instruments, which have a remaining maturity period of more than 365 days but less than 732 days. The Fund will be actively managed. The strategy is to invest in liquid and low risk short-term investments for capital preservation*. The investment strategy adheres to the SC Guidelines pertaining to investments for a money market fund.

**The Fund is neither a capital guaranteed fund nor a capital protected fund.*

The asset allocation strategy for this Fund is as follows:

- at least 90% of the Fund's NAV will be invested in Shariah-compliant money market instruments and/or Deposits; and
- up to 10% of the Fund's NAV may be invested in Shariah-compliant fixed income instruments, which have a remaining maturity period of more than 365 days but less than 732 days.

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 tenure and credit for the Fund. The ratings of the securities will be 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 Moody's or Fitch.

In the unlikely event of a credit rating downgrade, we reserve the right to deal with the Shariah-compliant 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 Shariah-compliant security if the immediate disposal of the security would not be in the best interest of the Unit holders.

The Fund may invest in foreign markets where the regulatory authorities are ordinary or associate members of the IOSCO. 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.

Risk management is at the core of our investment process. Every proposed decision made by the investment team is considered in the context of the overall portfolio risk-return trade-off. The Fund will only invest in liquid investments with capital preservation*. Our investment committee reviews the counterparties on a regular basis to ensure that the Fund invests in accordance with the Fund's objective. The Fund is constructed and managed within the internal guidelines such as risk-return trade-off, which will be monitored and reviewed regularly by the investment team. When deemed necessary, we may also utilize Shariah-compliant derivative instruments, subject to the SC Guidelines, for the purpose of hedging. In the event of a downgrade of a counter-party of an OTC Shariah-compliant derivative below the minimum long-term rating as per the SC Guidelines, we reserve the right to deal with the OTC Shariah-compliant derivative in the best interest of the Unit holders.

**The term "liquid investments" in this context refers to short-term financial instruments such as Islamic deposits and money market instruments. The values of these instruments are normally not volatile and thus display capital preservation in nature. These liquid investments are neither capital guaranteed nor capital protected.*

If the Fund is eligible to be invested via the EPF-MIS, investment in futures and options will be subject to the EPF's requirements. 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 <http://www.cimb-principal.com.my> or <http://www.kwsp.gov.my> for updated information.

Investment in the Fund is not the same as placement in a Islamic deposit with a licensed Islamic financial institution. There are risks involved and investors should rely on their own evaluation to assess the merits and risks when investing in the Fund.

1.1.13. CIMB ISLAMIC DEPOSIT FUND

Fund Category/Type	: Money Market (Shariah-compliant) / Income.
Investment Objective	: Aims to provide investors with liquidity and regular income, whilst maintaining capital stability by investing primarily in deposits that comply with the Shariah principles. <i>We will require your approval if there is any material change to the Fund's investment objective.</i>
Benchmark	: Islamic Interbank Overnight Rate. 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. The Islamic Interbank Overnight Rate is reflective of the objective of the Fund. Thus, you are cautioned that the risk profile of the Fund is higher than the benchmark. Information on the benchmark can be obtained from http://www.bnm.gov.my.</i>
Distribution Policy	: Monthly, depending on the level of income (if any) the Fund generates.
Launch Date	: 9 September 2009.

Investment Policy and Principal Investment Strategy

The Fund seeks to achieve its objective by investing at least 95% of the Fund's NAV in Deposits. Up to 5% of the Fund's NAV may be invested in Shariah-compliant money market instruments, short-term Sukuk and/or notes with a minimum credit rating of "A3" or "P1" 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 Moody's or Fitch, all of which have a remaining maturity period of less than 365 days. The investment policy is to invest in liquid and low risk short-term investments for capital preservation*.

The Fund will be actively managed to provide liquidity and to accommodate the short-term cash flow requirements of its Unit holders.

**The Fund is neither a capital guaranteed fund nor a capital protected fund.*

The asset allocation strategy for this Fund is as follows:

- at least 95% of the Fund's NAV will be invested in Deposits; and
- up to 5% of the Fund's NAV in Shariah-compliant money market instruments and short-term Sukuk and/or notes.

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 tenure and credit for the Fund.

In the unlikely event of a credit rating downgrade, we reserve the right to deal with the Shariah-compliant 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 Shariah-compliant security if the immediate disposal of the security would not be in the best interest of the Unit holders.

Risk management is at the core of our investment process. Every proposed decision made by the investment team is considered in the context of the overall portfolio risk-return trade-off. The Fund will only invest in liquid investments with capital preservation*. Our Investment committee reviews the counterparties on a regular basis to ensure that the Fund invests in accordance with the Fund's objective. Hence, the Fund is constructed to be managed within the internal guidelines such as risk-return trade-off, which will be monitored regularly by the investment team.

**The term "liquid investments" in this context refers to short-term financial instruments such as Islamic deposits. The values of these instruments are normally not volatile and thus display capital preservation in nature. These liquid investments are neither capital guaranteed nor capital protected.*

If the Fund is eligible to be invested via the EPF-MIS, investment in futures and options will be subject to the EPF's requirements. 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 <http://www.cimb-principal.com.my> or <http://www.kwsp.gov.my> for updated information.

Investment in the Fund is not the same as placement in Islamic deposit with a licensed Islamic financial institution. There are risks involved and investors should rely on their own evaluation to assess the merits and risks when investing in the Fund.

1.2. 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 securities 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 Shariah-compliant money market instruments;
- Shariah-compliant derivative instruments, including but not limited to options, futures contracts, forward contracts and swaps;
- All types of Shariah-compliant collective investment schemes^{Note 1};
- Shariah-compliant structured products^{Note 1};
- Shariah-compliant securities listed or traded on foreign markets where the regulatory authority is an ordinary or associate member of the IOSCO^{Note 2}; and
- Any other form of investments as may be permitted by the SC from time to time that is in line with the Fund's objectives.

Note 1: Not applicable to Azzam.

Note 2: Not applicable to Azzam, IEF and ISCF.

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 securities 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 Shariah-compliant money market instruments;
- Shariah-compliant derivative instruments, including but not limited to options, futures contracts, forward contracts and swaps;
- All types of Shariah-compliant collective investment schemes;
- Shariah-compliant structured products;
- Shariah-compliant securities listed or traded on foreign markets where the regulatory authority is an ordinary or associate member of the IOSCO^{Note 1}; and
- Any other form of investments as may be permitted by the SC from time to time that is in line with the Fund's objectives.

Note 1: Not applicable to IBGF.

SUKUK & MONEY MARKET FUNDS

SUKUK FUNDS – IESF and ISF

- 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 securities 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 Shariah-compliant money market instruments;
- Shariah-compliant derivative instruments, including but not limited to options, futures contracts, forward contracts and swaps;
- All types of Shariah-compliant collective investment schemes;
- Shariah-compliant structured products;
- Shariah-compliant securities listed or traded on foreign markets where the regulatory authority is an ordinary or associate member of the IOSCO; and
- Any other form of investments as may be permitted by the SC from time to time that is in line with the Fund's objectives.

MONEY MARKET FUND - IMMF

- Shariah-compliant money market instruments and Sukuk traded on Bursa Malaysia or any other market considered as an Eligible Market;
- Malaysian currency balances in hand, Malaysian currency deposits and placements of money at call that are Shariah-compliant with licensed Islamic financial institutions;
- Negotiable Instruments of Deposits and Bankers Acceptances that are Shariah-compliant;
- Corporate Sukuk traded in an Eligible Market which carries at least a "BBB3" or "P2" rating by RAM and its MARC equivalent;
- Other obligations issued or guaranteed by the Malaysian Government, Bank Negara Malaysia, State Governments and Government-related agencies such as Cagamas and Khazanah that are Shariah-compliant; and
- Any other form of investments as may be agreed upon by the Manager and the Trustee or as permitted by the SC from time to time that are in line with the Fund's objective provided always that the investments are Shariah-compliant or permissible.

SUKUK & MONEY MARKET FUNDS

MONEY MARKET FUND - IDF

- Islamic deposit placements with licensed Islamic financial institutions; and
- Any other form of investments as may be permitted by the SC from time to time that is in line with the Fund's objectives.

Note: Provided always that the 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.

1.3. INVESTMENT RESTRICTIONS AND LIMITS

	Exposure limit	Investment spread limits	Investment concentration limits
Equity Funds		<ul style="list-style-type: none"> ▪ the value of the Fund's investment in ordinary Shariah-compliant shares issued by any single issuer must not exceed 10% of the Fund's NAV; ▪ the value of the Fund's investments in transferable Shariah-compliant securities and Shariah-compliant money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV ^{Note 1}; ▪ the value of the Fund's placement in Islamic deposits with any single institution must not exceed 20% of the Fund's NAV; ▪ the value of the Fund's investment in Shariah-compliant structured products issued by a single counter-party must not exceed 15% of the Fund's NAV; ▪ the aggregate value of the Fund's investments in transferable Shariah-compliant securities, Shariah-compliant money market instruments, Islamic deposits, OTC Shariah-compliant derivatives and Shariah-compliant structured products issued by or placed with (as the case may be) any single issuer/institution must not exceed 25% of the Fund's NAV ^{Note 1}; ▪ the value of the Fund's investment in units/shares of any Shariah-compliant collective investment scheme must not exceed 20% of the Fund's NAV; ▪ the value of the Fund's investment in transferable Shariah-compliant securities and Shariah-compliant money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV ^{Note 1} 	<ul style="list-style-type: none"> ▪ the Fund's investments in transferable Shariah-compliant securities (other than Sukuk) must not exceed 10% of the securities issued by any single issuer; ▪ the Fund's investments in Sukuk must not exceed 20% of the Sukuk issued by any single issuer; ▪ the Fund's investments in Shariah-compliant money market instruments must not exceed 10% of the instruments issued by any single issuer. This limit does not apply to Shariah-compliant money market instruments that do not have a pre-determined issue size; ▪ the Fund's investments in Shariah-compliant collective investment schemes must not exceed 25% of the units/shares in any one Shariah-compliant collective investment scheme.
Mixed Asset Funds	the value of the Fund's investment in unlisted securities must not exceed 10% of the Fund's NAV.		
Sukuk & Money Market Funds ^{Note 2}		<p>For investments in Shariah-compliant derivatives (including for hedging purpose):</p> <ul style="list-style-type: none"> ▪ The Fund's exposure from Shariah-compliant 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 SC Guidelines; ▪ the value of the Fund's OTC Shariah-compliant derivative transaction with any single counter-party must not exceed 10% of the Fund's NAV; and ▪ the counter-party of an OTC Shariah-compliant derivative is a financial institution with a minimum long-term rating provided by any domestic or global rating agency that indicates strong capacity for timely payment of financial obligations; 	

Note: The above restrictions and limits do not apply to securities or instruments issued or guaranteed by the Malaysian government or Bank Negara Malaysia.

Note 1:

Not applicable for IESF and ISF. Instead, the following apply:

- the value of the Fund's investments in Sukuk issued by any single issuer must not exceed 20% of the Fund's NAV. This single issuer limit may be increased to 30% if the Sukuk are rated by any domestic or global rating agency to be of the best quality and offer highest safety for timely payment of profit and principal;
- the value of the Fund's investments in Sukuk issued by any group of companies must not exceed 30% of the Fund's NAV. Where the single issuer limit is increased to 30%, the aggregate value of a fund's investment must not exceed 30%.

Note 2:

IMMF and IDF are subject to the following investment restrictions and limits:

Exposure limits	<ul style="list-style-type: none"> ▪ The value of the Fund's investments in permitted investments which have a remaining maturity period of not more than 365 days must not be less than 90% of the Fund's NAV; ▪ The value of the Fund's investments in permitted investments which have a remaining maturity period of more than 365 days but fewer than 732 days must not exceed 10% of the Fund's NAV.
Investment spread limits	<ul style="list-style-type: none"> ▪ The value of the Fund's investments in Sukuk and Shariah-compliant money market instruments issued by any single issuer must not exceed 20% of the Fund's NAV. This single issuer limit may be increased to 30% if the Sukuk are rated by any domestic or global rating agency to be of the best quality and offer highest safety for timely payment of profit and principal; ▪ The value of the Fund's placement in Islamic deposits with any single licensed Islamic financial institution must not exceed 20% of the Fund's NAV; ▪ The value of the Fund's investments in Sukuk and Shariah-compliant money market instruments issued by any group of companies must not exceed 30% of the Fund's NAV; ▪ Where applicable, the core requirements for non-specialised funds shall apply for any other type of investments.
Investment concentration limits	<ul style="list-style-type: none"> ▪ A Fund's investments in Sukuk must not exceed 20% of the securities issued by any single issuer; ▪ A Fund's investments in Shariah-compliant money market instruments must not exceed 20% of the instruments issued by any single issuer; and ▪ A Fund's investments in Shariah-compliant collective investment schemes must not exceed 25% of the units/shares in any Shariah-compliant collective investment scheme.

In respect of the above investment restrictions and limits, the SC Guidelines provides for an allowance of 5% from the restrictions and limits due to appreciation or depreciation of the NAV of the Fund (whether as a result of an appreciation or depreciation in value of the Fund's investments, or as a result of repurchase of units or payment made out of the Fund). If the Fund is not within the investment restrictions and limits, we should not make any further acquisitions in relation to the relevant restrictions and limits and we must rectify as soon as practicable (maximum three (3) months from the date of occurrence).

1.3.1. Minimum requirement for Shariah-compliant liquid assets

Shariah-compliant liquid assets include cash, Islamic deposits with licensed Islamic financial institutions, Shariah-compliant 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 Shariah-compliant liquid assets.
Mixed Asset Funds	
Sukuk & Money Market Funds <small>Note 1</small>	

Note 1: Not applicable to **IMMF** and **IDF**.

1.4. APPROVALS AND CONDITIONS

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

CIMB Islamic Enhanced Sukuk Fund

CIMB-Principal has obtained approval from the SC for a variation of Clause 10.38 of the SC Guidelines which allow CIMB-Principal to calculate withdrawal based on several valuation points (instead of the next valuation point upon receipt of withdrawal request).

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

CIMB Islamic Sukuk Fund

CIMB-Principal has obtained approval from the SC for a variation of Clause 10.16 (a) of the SC Guidelines which allow CIMB-Principal 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.

CIMB Islamic Small Cap Fund

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

CIMB Islamic Asia Pacific Equity Fund, CIMB Islamic DALI Equity Fund, CIMB Islamic Balanced Fund, CIMB Islamic Enhanced Sukuk Fund, CIMB Islamic Sukuk Fund and CIMB Islamic Money Market Fund

CIMB-Principal has obtained approval from the SC for an exemption to comply with Schedule C: Valuation of other unlisted bonds of the SC Guidelines which allow CIMB-Principal to obtain the price of any unlisted non RM-denominated Sukuk from the Interactive Data Corporation for valuation purpose subject to these conditions:

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

1.5. SHARIAH INVESTMENT GUIDELINES

The Shariah investment guidelines below are applicable to **DALI, DALI2, Azzam, DALI4, IEAF, ISCF, IBF, IBGF, IESF, ISF** and **IAPEF**.

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:

1.5.1. Screening process

1. **Azzam, IEAF, IBGF, ISCF, IESF** and **DALI** shall invest in securities listed under the List of Shariah-compliant Securities by the SAC of the SC.
2. **IAPEF, DALI2, IBF** and **DALI4** shall invest in securities which are listed under the List of Shariah-compliant Securities by the SAC of the SC and/or MSCI Islamic Asia-ex-Japan.
3. **ISF** and **IESF** shall invest in domestic and foreign Sukuk. The domestic Sukuk must be approved by SC. For foreign Sukuk and Sukuk that do not require SC approval, it must be approved by the Shariah Adviser upon review of the Sukuk's information memorandum or prospectus and/or relevant documents of the said Sukuk, e.g. Shariah pronouncement/approval of the said Sukuk.

The same review is also applicable for other Funds which invest in Sukuk.

4. Any securities which are not listed under the List of Shariah-compliant Securities issued by the SAC of the SC and/or MSCI Islamic Asia-ex-Japan in reference to items number (1), (2) and (3) respectively shall follow the following guidelines:

4.1 Investment in companies with the following core activities and instruments are prohibited by the Funds.

- (a) Investments in companies which carry out or are involved in any of the following prohibited activities:
 - (i) activities connected to, but not limited to, manufacturing, selling, distributing and packaging of the following:
 - alcohol;
 - tobacco;
 - pork;
 - music; and
 - pornographic productions;
 - (ii) restaurants and hotels/motels except those not selling alcohol and/or non-halal food;
 - (iii) operators of gambling casinos and manufacturers of gambling machines;
 - (iv) operators of movie theatres and cable TV companies;
 - (v) financial services (conventional banks, brokerage firms and investment funds that invest in companies that engage in the restricted activities, insurance companies, etc); and
 - (vi) other activities deemed non-permissible according to Shariah principles.

- 4.2 For a Special Purpose Acquisition Company (SPAC) to be classified as Shariah-compliant, the Shariah Adviser had considered the following criteria:

- (a) The proposed business activity should be Shariah-compliant;
- (b) The entire proceeds raised from the IPO should be placed in Islamic accounts; and
- (c) In the event that the proceeds are invested, the entire investment should be Shariah-compliant.

Note: SPAC is a special company formed to acquire business through acquisition or merger with other entities. SPAC is a publicly-traded shell company that raises funds through an initial public offering. The proceeds are placed with a trustee pending a qualifying acquisition.

- 4.3 The contribution of Shariah non-compliant activities to the Group revenue and Group profit before taxation of the company will be computed and compared against the relevant business activities benchmarks as follows:

Business activity benchmarks

(a) The 5-percent benchmark

This benchmark would be applicable to the following businesses/activities:

- conventional banking;
- conventional insurance;
- gambling;
- liquor and liquor-related activities;
- pork and pork-related activities;
- non-halal food and beverages;
- Shariah non-compliant entertainment;
- Interest income from conventional accounts and instruments (including interest income awarded arising from a court judgement or arbitrator);
- dividends from Shariah non-compliant investment;
- tobacco and tobacco-related activities; and
- other activities deemed non-compliant according to Shariah.

For the above-mentioned businesses/activities, the contribution of Shariah non-compliant businesses/activities to the Group revenue or Group profit before taxation of the company must be less than 5 percent.

Note: Interest income and dividends from Shariah non-compliant investments will be compared against the Group revenue. However, if the main activity of the company is holding of investments, the dividends from Shariah non-compliant investments will be compared against the Group revenue and Group profit before taxation.

(b) The 20-percent benchmark

This benchmark would be applicable to the following businesses/activities

- share trading;
- stockbroking business;
- rental received from Shariah non-compliant activities; and
- other activities deemed non-compliant according to Shariah.

For the above-mentioned businesses/activities, the contribution of Shariah non-compliant businesses/activities to the Group revenue or Group profit before taxation of the company must be less than 20 percent.

4.4 Financial ratio benchmarks:

The financial ratios applied are as follows:

- (i) Cash over trailing 24-month average market capitalisation (cash ratio)
Cash only includes cash placed in conventional accounts and instruments, whereas cash placed in Islamic accounts and instruments is excluded from the calculation.
- (ii) Debt over trailing 24-month average market capitalisation (debt ratio)
Debt only includes interest-bearing debt whereas Islamic financing or Sukuk is excluded from the calculation.

Each ratio, which is intended to measure *riba* and *riba-based* elements within a company, must be less than 33 per cent.

5. The Funds shall invest in domestic and foreign Shariah-compliant collective investment schemes;
6. 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 Shariah compliant account is permitted for placement of deposit with institutions licensed under the Financial Services Act. The Funds are also prohibited from investing in interest-bearing deposits and recognising any interest income.
7. Money market instruments issued in Malaysia must be approved by SAC of BNM and/or the SAC of the SC. 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.

The Shariah investment guidelines below are only applicable for the IMMF.

At all times, IMMF's investments would be restricted to financial instruments that are allowed under Shariah principles and the Fund is prohibited from investing in financial instruments which do not comply with Shariah principles subject to the following:

1. Money market and fixed income instruments issued in Malaysia must be approved by the SAC of BNM and/or the SAC of the SC.
2. Money market and fixed income instruments that are endorsed by other Shariah adviser / committee must be approved by the Shariah Adviser upon review of the relevant documents, e.g. principal terms & conditions and Shariah pronouncement/approval.

The Shariah investment guidelines below are only applicable for the IDF.

At all times, IDF's investment would be restricted to financial instruments that are allowed under Shariah principles and the Fund is prohibited from investing in financial instruments which do not comply with Shariah principles subject to the following:

1. Financial instruments issued by licensed Islamic financial institutions in Malaysia must be duly approved by the SAC of BNM and/or the SAC of the SC.

1.5.2. Rules on divestment of Shariah non-compliant securities

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

1. "Shariah-compliant securities*" which are subsequently considered "Shariah non-compliant".

This refers to those securities which were earlier classified as Shariah-compliant securities* but due to certain reasons, 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 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 liquidate them. Any dividends received up to the date of the announcement and capital gains arising from the disposal of the Shariah non-compliant securities on the date of the announcement can be kept by the Funds.

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

On the other hand, Funds are allowed to hold their investment in the Shariah non-compliant securities if the market price of the said securities is below the Funds' original investment costs to the maximum holding limit of 1 year or up to a period deemed appropriate and shall be approved by the Shariah Adviser. 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 original 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 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 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 securities are held by the Funds,

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

Note:

**Shariah-compliant securities refers to equities as per guideline stipulated in list of Shariah-compliant securities issued by SAC of the SC on 24 November 2016 (or as issued from time to time) and/or issued by MSCI Islamic Asia-ex-Japan on a quarterly basis as well as any equities which had been approved by Shariah Adviser based on clause 4 under screening process of Shariah investment guidelines.*

Where the Funds invest in securities (save for money market instruments and deposit) earlier classified as Shariah-compliant but considered to have become non-compliant (by the Shariah adviser appointed by the issuer of that security) then guidance from the Shariah Adviser should to be obtained.

Where the Funds invest money market instruments or deposits 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 or withdraw such deposits, as soon as practicable of having notice, knowledge or advice of the status of the money market instruments or deposits. Any profit received from such money market instruments or such deposits prior to the occurrence of the aforesaid event shall be retained by the Fund. Any profit received subsequent to the occurrence of the aforesaid event shall be channelled to charitable bodies, as endorsed by the Shariah Adviser.

2. Shariah non-compliant securities.

If we or our fund management delegate mistakenly invests in Shariah non-compliant securities or fixed income or money market or mistakenly made placement in deposit, we or our fund management delegate needs to dispose of any Shariah non-compliant securities and mentioned instruments, within a month of becoming aware of the status of the securities. Any gain(s) and/or return(s) received before or after the disposal of the securities or mentioned instruments has to be channelled to charitable bodies, approved by the Shariah Adviser. The Fund has a right to retain only the original investment cost, which may include brokerage fees and other transaction costs. If the disposal of the Shariah non-compliant securities or mentioned instruments causes losses to the Funds, we must bear the losses by ensuring the loss portion be restored and returned to the Funds.

1.5.3. Cleansing process

1. Under the Shariah principles, any income or distribution received by the Fund from investments in its portfolio which relates to income from Shariah non-compliant investments as set out above are considered impure income. This impure income is subject to an income purification process as determined by the Shariah Adviser, from time to time and without limitation, where the impure income will be distributed to charitable bodies approved by the Shariah Adviser.
2. In cases where the income is generated from investment in companies with mix contributions of permissible and non-permissible activities under number 4.3 of the Screening Process, the securities are deemed Shariah-compliant and cleansing of income in proportion to non-permissible activities of the securities is not required.

1.5.4. Periodic review

The Shariah Adviser will review the Fund twice a year to ensure the Fund's 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.

1.5.5. The Funds' compliance to the Shariah principles

The Shariah Adviser is of the view that, given the prevailing circumstances, the Shariah-compliant 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 securities which have been classified as Shariah-compliant by the SAC of the SC and, where applicable the SAC of the BNM. For securities not certified by the SAC of the SC and, where applicable the SAC of BNM, the status of the securities will be determined in accordance with the ruling of the Shariah Adviser and Shariah Investment Guidelines.

1.6. FINANCING

The Funds may not obtain cash financing or other assets in connection with its activities. However, the Funds may obtain cash 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.

1.7. SECURITIES LENDING

Subject to Shariah Adviser's approval, the Funds may participate in the lending of securities under the SC Guidelines on Securities Borrowing and Lending issued by the SC (as may be amended and/or updated from time to time) 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. and any other relevant authority.

1.8. RISK FACTORS

1.8.1. GENERAL RISKS OF INVESTING IN UNIT TRUST FUNDS

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 (Shariah-compliant Funds).

Returns not guaranteed

The investment of the fund is subject to market fluctuations and its inherent risk. There is **NO GUARANTEE** on the investment returns, nor any assurance that the fund's investment objective will be achieved.

General market environment risk

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

Inflation risk

This is the risk that your investment in the unit trust 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, you may be required to top-up your existing installment if the prices of units fall below a certain level due to market conditions. Failing which, the units may be sold at a lower NAV per unit as compared to the NAV per unit at the point of purchase towards settling the financing.

***Note:** Risk Disclosure Statement Form on Financing for Investment in Unit Trust annexed as Appendix I hereto sets out the risks in detail.*

Manager's 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.

Reclassification of Shariah status risk

This risk refers to the risk that the currently held Shariah-compliant securities in the fund may be reclassified as Shariah non-compliant in the periodic review of the securities by the SAC of the SC, the Shariah adviser, the Shariah boards of the relevant Islamic indices or the Shariah adviser of the issuer. If this occurs, the Manager will take the necessary steps to dispose such securities. There may be opportunity loss to the Fund due to the Fund not being allowed to retain the excess gains derived from the disposal of the Shariah non-compliant securities.

In the event that the Shariah non-compliant securities are disposed at a price lower than the investment cost, it may adversely affect the value of the fund. Thus, it may cause the NAV of the fund or prices of units to fall.

Please refer to page 18 for more information on Shariah Investment Guidelines.

1.8.2. 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:

EQUITY FUNDS

1.8.2.1. CIMB Islamic DALI Equity Growth Fund

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.

Risks associated with investment in warrants

There are inherent risks associated with investment in warrants. The value of warrants are influenced by the 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. Like securities, we will undertake fundamental research and analysis on these instruments with an aim to mitigate its risks.

1.8.2.2. CIMB Islamic DALI Equity Fund

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.

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 or prices of units to fall.

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 depreciate against the base currency of the Fund, this will have an adverse effect on the NAV of the Fund in the base currency 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.

Risk of investing in emerging markets

In comparison with investments in the developed markets, investment 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 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 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, in addition to our continuous bottom-up and top-down research and analysis.

Risks associated with investment in warrants

There are inherent risks associated with investment in warrants. The value of warrants are influenced by the 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. Like securities, we will undertake fundamental research and analysis on these instruments with an aim to mitigate its risks.

1.8.2.3. CIMB Islamic Al-Azzam Equity Fund

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.

Liquidity risk

Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the Fund holds assets that are illiquid, or are difficult to dispose of, the value of the Fund will be negatively affected when it has to sell such assets at unfavourable prices.

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, money market instruments and/or place Deposits. Credit risk relates to the creditworthiness of the securities 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, this may lead to a credit downgrade. Default risk relates to the risk that a securities 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 its 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.

Interest rate risk

Interest rate risk refers to the impact of interest rate changes on the valuation of Sukuk. When interest rates rise, Sukuk prices generally decline and this may lower the market value of the Fund's investment in Sukuk. 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.

Please note that although Sukuk is a non-interest bearing instrument, its price movement benchmarked against 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.

1.8.2.4. CIMB Islamic DALI Asia Pacific Equity Growth Fund

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.

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 or prices of units to fall.

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 depreciate against the base currency of the Fund, this will have an adverse effect on the NAV of the Fund in the base currency 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.

Risk of investing in emerging markets

In comparison with investments in the developed markets, investment 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 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 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, in addition to our continuous bottom-up and top-down research and analysis.

Risks associated with investment in warrants

There are inherent risks associated with investment in warrants. The value of warrants are influenced by the 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. Like securities, we will undertake fundamental research and analysis on these instruments with an aim to mitigate its risks.

1.8.2.5. CIMB Islamic Equity Aggressive Fund

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.

Risks associated with investment in warrants

There are inherent risks associated with investment in warrants. The value of warrants are influenced by the 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. Like securities, we will undertake fundamental research and analysis on these instruments with an aim to mitigate its risks.

1.8.2.6. CIMB Islamic Small Cap Fund

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.

Liquidity risk

Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the Fund holds assets that are illiquid, or are difficult to dispose of, the value of the Fund will be negatively affected when it has to sell such assets at unfavourable prices.

Risks associated with investment in warrants

There are inherent risks associated with investment in warrants. The value of warrants are influenced by the 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. Like securities, we will undertake fundamental research and analysis on these instruments with an aim to mitigate its risks.

1.8.2.7. CIMB Islamic Asia Pacific Equity Fund

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.

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 or prices of units to fall.

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 depreciate against the base currency of the Fund, this will have an adverse effect on the NAV of the Fund in the base currency 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.

Risks associated with investment in warrants and/or options

There are inherent risks associated with investment in warrants and/or options. The value of warrants and/or options are influenced by the 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. Like securities, we will undertake fundamental research and analysis on these instruments with an aim to mitigate its risks.

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, money market instruments and/or place Deposits. Credit risk relates to the creditworthiness of the securities 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, this may lead to a credit downgrade. Default risk relates to the risk that a securities 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 its 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.

MIXED ASSET FUNDS**1.8.2.8. CIMB Islamic Balanced Fund****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.

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, money market instruments and/or place Deposits. Credit risk relates to the creditworthiness of the securities 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, this may lead to a credit downgrade. Default risk relates to the risk that a securities 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 its 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.

Interest rate risk

Interest rate risk refers to the impact of interest rate changes on the valuation of Sukuk. When interest rates rise, Sukuk prices generally decline and this may lower the market value of the Fund's investment in Sukuk. 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.

Please note that although Sukuk is a non-interest bearing instrument, its price movement benchmarked against 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.

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 or prices of units to fall.

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 depreciate against the base currency of the Fund, this will have an adverse effect on the NAV of the Fund in the base currency 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.

Risk of investing in emerging markets

In comparison with investments in the developed markets, investment 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 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 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, in addition to our continuous bottom-up and top-down research and analysis.

1.8.2.9. CIMB Islamic Balanced Growth Fund

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.

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, money market instruments and/or place Deposits. Credit risk relates to the creditworthiness of the securities 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, this may lead to a credit downgrade. Default risk relates to the risk that a securities 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 its 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.

Interest rate risk

Interest rate risk refers to the impact of interest rate changes on the valuation of Sukuk. When interest rates rise, Sukuk prices generally decline and this may lower the market value of the Fund's investment in Sukuk. 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.

Please note that although Sukuk is a non-interest bearing instrument, its price movement is benchmarked against 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.

SUKUK & MONEY MARKET FUNDS

1.8.2.10. CIMB Islamic Enhanced Sukuk Fund

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.

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, money market instruments and/or place Deposits. Credit risk relates to the creditworthiness of the securities 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, this may lead to a credit downgrade. Default risk relates to the risk that a securities 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 its 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.

Interest rate risk

Interest rate risk refers to the impact of interest rate changes on the valuation of Sukuk. When interest rates rise, Sukuk prices generally decline and this may lower the market value of the Fund's investment in Sukuk. 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.

Please note that although Sukuk is a non-interest bearing instrument, its price movement is benchmarked against 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.

Risks associated with investment in warrants

There are inherent risks associated with investment in warrants. The value of warrants are influenced by the 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. Like securities, we will undertake fundamental research and analysis on these instruments with an aim to mitigate its risks.

Risk of investing in emerging markets

In comparison with investments in the developed markets, investment 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 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 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, in addition to our continuous bottom-up and top-down research and analysis.

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 or prices of units to fall.

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 depreciate against the base currency of the Fund, this will have an adverse effect on the NAV of the Fund in the base currency 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.

1.8.2.11. CIMB Islamic Sukuk Fund

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, money market instruments and/or place Deposits. Credit risk relates to the creditworthiness of the securities 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, this may lead to a credit downgrade. Default risk relates to the risk that a securities 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 its 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.

Interest rate risk

Interest rate risk refers to the impact of interest rate changes on the valuation of Sukuk. When interest rates rise, Sukuk prices generally decline and this may lower the market value of the Fund's investment in Sukuk. 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.

Please note that although Sukuk is a non-interest bearing instrument, its price movement benchmarked against 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.

Risk of investing in emerging markets

In comparison with investments in the developed markets, investment 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 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 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, in addition to our continuous bottom-up and top-down research and analysis.

Risks associated with investment in warrants

There are inherent risks associated with investment in warrants. The value of warrants are influenced by the 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. Like securities, we will undertake fundamental research and analysis on these instruments with an aim to mitigate its risks.

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 or prices of units to fall.

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 depreciate against the base currency of the Fund, this will have an adverse effect on the NAV of the Fund in the base currency 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.

1.8.2.12. CIMB Islamic Money Market Fund

Credit and default risk

Investment of the Fund may involve a certain degree of credit and default risk. Generally, credit and default risk is the risk of loss due to the counterparty's and/or issuer's non-payment or untimely payment of the investment amount as well as the returns on investment. We aim to mitigate this risk by performing fundamental credit research and analysis to determine the creditworthiness of its counterparty and/or issuer.

Investment in the Fund is not the same as placement in a Islamic deposit with a licensed Islamic financial institution. There are risks involved and investors should rely on their own evaluation to assess the merits and risks when investing in the Fund.

Interest rate risk

Interest rate risk is the risk that an investment's value will be affected due to a change in the level of interest rates. Such changes usually affect the investments inversely and can be reduced by managing the duration of the portfolio via shorter or longer tenured assets depending on the view of the future interest rate trend of the Manager, which is based on its continuous fundamental research and analysis.

Please note that although Sukuk is a non-interest bearing instrument, its price movement benchmarked against 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.

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 or prices of units to fall.

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 depreciate against the base currency of the Fund, this will have an adverse effect on the NAV of the Fund in the base currency 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.

1.8.2.13. CIMB Islamic Deposit Fund

Credit and default risk

Investment of the Fund may involve a certain degree of credit and default risk. Generally, credit and default risk is the risk of loss due to the counterparty's and/or issuer's non-payment or untimely payment of the investment amount as well as the returns on investment. We aim to mitigate this risk by performing fundamental credit research and analysis to determine the creditworthiness of its counterparty and/or issuer.

Investment in the Fund is not the same as placement in a Islamic deposit with a licensed Islamic financial institution. There are risks involved and investors should rely on their own evaluation to assess the merits and risks when investing in the Fund.

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 Funds.

2.1.1. Application Fee

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

	Maximum Application Fee (% of the NAV per unit)*	
	CWA %	IUTAs %
Equity Funds		
CIMB Islamic DALI Equity Growth Fund	6.50	6.50
CIMB Islamic DALI Equity Fund	6.50	6.50
CIMB Islamic Al-Azzam Equity Fund	6.50	5.50
CIMB Islamic DALI Asia Pacific Equity Growth Fund	6.50	6.50
CIMB Islamic Equity Aggressive Fund	5.00	5.00
CIMB Islamic Small Cap Fund	6.50	6.50
CIMB Islamic Asia Pacific Equity Fund	5.00	5.00
Mixed Asset Funds		
CIMB Islamic Balanced Fund	6.50	6.50
CIMB Islamic Balanced Growth Fund	6.00	5.00
Sukuk & Money Market Funds		
CIMB Islamic Enhanced Sukuk Fund	2.00	2.00
CIMB Islamic Sukuk Fund	2.00	2.00
CIMB Islamic Money Market Fund	Nil	Nil
CIMB Islamic Deposit Fund	Nil	Nil

* Despite the maximum Application Fees disclosed above, you may negotiate with us or our Distributors for lower charges. However, you should note that we or our Distributors may, for any reason at any time, where applicable, accept or reject your request and without having to assign any reason, either generally (for all investors) or specifically (for any particular investor or a group of investors) without prior notice to you. If you invest via EPF-MIS, you may be charged an Application Fee of up to 3.00% of the NAV per unit, or such other rate as may be determined by the EPF.

Note: Please refer to the "Calculation of investment amount and units entitlement" section in the "Transaction Information" chapter for an illustration on how the Application Fee is calculated. The Application Fee imposed will be rounded to two (2) decimal places.

2.1.2. Withdrawal Fee

There is no Withdrawal Fee for withdrawals from any of the Funds.

2.1.3. Dilution Fee

There is no dilution fee for withdrawals from any of the Funds.

2.1.4. Switching Fee

Switching is treated as a withdrawal from one (1) fund and an investment into another CIMB-Principal fund, you will be charged a Switching Fee equal to the difference (if any) between the Application Fees of these two (2) funds when you switch from one fund to another.

For example, you have invested in a fund with an Application Fee of 2.00% on the NAV per unit and now wish to switch to another fund which has an Application Fee of 5.50% on the NAV per unit. Hence, we will impose a Switching Fee of 3.50% on the NAV per unit (being the difference between 2.00% and 5.50%) on the amount switched.

In addition, we impose a RM100 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.

2.1.5. Transfer Fee

You may be charged Transfer Fee of not more than RM50.00 for each transfer.

2.2. FEES AND EXPENSES

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

2.2.1. Management Fee

Table below stipulates the annual Management Fee charged for the respective Funds, based on the NAV of the Fund. The Management Fee shall be accrued daily based on the NAV of the Fund and paid monthly.

Funds	Maximum Management Fee (% p.a. of the NAV of the Fund)
Equity Funds	
CIMB Islamic DALI Equity Growth Fund	1.50
CIMB Islamic DALI Equity Fund	1.85
CIMB Islamic Al-Azzam Equity Fund	1.50
CIMB Islamic DALI Asia Pacific Equity Growth Fund	1.50
CIMB Islamic Equity Aggressive Fund	1.50
CIMB Islamic Small Cap Fund	1.85
CIMB Islamic Asia Pacific Equity Fund	1.80
Mixed Asset Funds	
CIMB Islamic Balanced Fund	1.50
CIMB Islamic Balanced Growth Fund	1.50
Sukuk & Money Market Funds	
CIMB Islamic Enhanced Sukuk Fund	1.00
CIMB Islamic Sukuk Fund	0.95
CIMB Islamic Money Market Fund	0.50
CIMB Islamic Deposit Fund	0.45

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

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

If the NAV of the CIMB Islamic Enhanced Sukuk Fund is RM500 million, then

Management Fee for the day = RM500 million x 1.00% per annum / 365 days
= RM13,698.63

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)	Local custodian fee	Foreign custodian fee
Equity Funds				
CIMB Islamic DALI Equity Growth Fund	MTrustee	0.06	Nil	Nil
CIMB Islamic DALI Equity Fund	UTMB	0.06	Nil	Note 2
CIMB Islamic Al-Azzam Equity Fund	ART	0.05	Nil	Nil
CIMB Islamic DALI Asia Pacific Equity Growth Fund	ART	0.06	Nil	Note 2

CIMB Islamic Equity Aggressive Fund	ART	0.09	Note 1	Nil
CIMB Islamic Small Cap Fund	UTMB	0.06	Nil	Nil
CIMB Islamic Asia Pacific Equity Fund	HSBCT	0.07	Note 1	Note 2
Mixed Asset Funds				
CIMB Islamic Balanced Fund	UTMB	0.10	Nil	Note 2
CIMB Islamic Balanced Growth Fund	MTB	0.07	Note 1	Nil
Sukuk & Money Market Funds				
CIMB Islamic Enhanced Sukuk Fund	HSBCT	0.07	Note 1	Nil
CIMB Islamic Sukuk Fund	ART	0.06	Nil	Nil
CIMB Islamic Money Market Fund	MTrustee	0.03	Note 1	Nil
CIMB Islamic Deposit Fund	HSBCT	0.04	Nil	Nil

Note 1 - The Trustee Fee includes the local custodian fee but excludes the foreign sub-custodian fee (if any).

Note 2 - Foreign custodian fee (applicable to DALI4 only)
The foreign sub-custodian fee is dependant on the country invested and is charged monthly in arrears.

Foreign custodian fee (applicable to DALI2 & IBF only)
The foreign custody charges (safekeeping fee and transaction fee, including out of pocket charges) are subject to a minimum of USD500 per month per fund and are charged monthly in arrears. The safekeeping fee ranges from a minimum of 0.04% p.a. to a maximum of 0.38% p.a. of the market value of the respective foreign portfolio, depending on the country invested. The transaction fee is charged for every transaction and the amount is dependent on the country invested.

Foreign custodian fee (applicable to IAPEF only)
The 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 DALI2 is RM500 million, then

Trustee Fee for the day = RM500 million x 0.06% per annum / 365 days
= RM821.92

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 (including but not limited to GST) 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;
- valuation fees paid to independent valuers for the benefit of the Funds;
- 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.

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 stipulate the maximum rate in percentage terms that can be charged. Should the Fund invest into units of any CIMB-Principal Funds, we will ensure that all initial chargers of the CIMB-Principal Funds is waived and there is no double charging of management fees to be incurred by you when investing in the Funds.

You should note that, we may alter the fees and charges (other than the Trustee Fee) within such limits, and subject to such provisions, as set out in the Deeds and the SC Guidelines.

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

2.3. REBATES AND SOFT COMMISSIONS

We, the Sub-Manager and the Trustees will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investments of the Funds unless the soft commission received is retained in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds. All dealings with brokers are executed on best available terms.

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 Fund are subject to any applicable taxes (including but not limited to GST) and/or duties as may be imposed by the government or other authorities (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 or you as disclosed or illustrated in the Master Prospectus (Shariah-compliant Funds).

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

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 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 instrument.
- **Unlisted Sukuk**
The value of any unlisted RM-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 **IAPEF, DALI2, IBF, IESF, ISF and IMMF**, the value of any unlisted non RM-denominated Sukuk shall be calculated daily using prices quoted by IDC 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 IDC 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 RM-denominated Sukuk will be valued at least weekly at fair price determined in good faith by us, based on the methods or bases approved by the Trustee.

- **Unlisted Shariah-compliant derivative instruments**
For unlisted Shariah-compliant 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.
- **Shariah-compliant collective investment schemes**
The value of any investment in Shariah-compliant CIS which are quoted on an approved exchange shall be calculated daily in the same manner as other listed Shariah-compliant securities described above. When investing in unlisted Shariah-compliant CIS, the value shall be determined daily by reference to the last published repurchase/redemption price for that Shariah-compliant CIS.
- **Shariah-compliant money market instruments**
Valuation of Shariah-compliant money market instruments shall be determined each day by reference to the principal value of such permitted investments and the accrued income for the relevant period.
- **Deposits**
The value of Deposits shall be determined each day by reference to the principal value of such 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 RM. Currently, the assets are translated using the bid foreign exchange rate quoted by either Reuters or Bloomberg, at UK 4:00 p.m. (Malaysian time 11:00 p.m. or 12:00 a.m.) on the same day, or such other time as stipulated in the IMS.

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.

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 value the Fund 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 <http://www.cimb-principal.com.my> after 10:00 a.m. on the following Business Day (T+1).

For Funds with foreign investments:

We will value the Fund for a Business Day on the next Business Day (T+1) by 4:00 p.m. This is to cater for the currency translation of the foreign securities/instruments to the Funds' base currency. Currently, the currency translation is based on the bid exchange rate quoted by Bloomberg or Reuters at UK time 4:00 p.m. (Malaysian time 11:00 p.m. or 12:00 a.m.) on the same day, or such other time as stipulated in the IMS. The NAV per unit for a Business Day is available on our website at <http://www.cimb-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 9 August 2017, your units will be based on the NAV per unit on 9 August 2017, which will be calculate on the next Business Day, that is, 10 August 2017. The NAV per unit will be available on our website after 5:30 p.m. on 10 August 2017.

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

At the end of the Business Day on 9 August 2017, your units will be based on the NAV per unit on 10 August 2017, which will be calculate two (2) days later, that is, 11 August 2017. The NAV per unit will be available on our website after 5:30 p.m. on 11 August 2017.

Each Fund must be valued at least once for every Business Day. The NAV per unit is calculated by dividing the NAV of the Fund with the number of units in issue at the valuation point, as follows:

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

The NAV of the Fund is the sum of the value of all investments and cash held by the Fund (calculated in accordance with the 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.

Note: We will ensure the accuracy of the prices submitted to the Federation of Investment Managers Malaysia – Funds Malaysia System.

3.2.1. 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 for the Fund.

Illustrations:**Calculation of number of units received, Application Fee and total amount paid by you***Assumptions:*

NAV per unit	=	RM0.5000 (truncated to 4 decimal places)
Application Fee charged by CWA	=	6.50%
Application Fee charged by IUTA	=	5.50%

You wish to invest RM10,000 in the Fund through an IUTA.

Calculation of total number of units that you will receive*

$$\begin{aligned} &= \text{Investment amount} / \text{NAV per unit} \\ &= \text{RM10,000} / \text{RM0.5000} \\ &= 20,000 \text{ units} \end{aligned}$$

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

$$\begin{aligned} &= \text{NAV per unit} \times \text{number of units received} \times \text{Application Fee rate} \\ &= \text{RM0.5000} \times 20,000 \text{ units} \times 5.50\% \\ &= \text{RM550.00} \end{aligned}$$

Calculation of total amount that you will have to pay

$$\begin{aligned} &= \text{Investment amount} + \text{Application Fee paid} \\ &= \text{RM10,000} + \text{RM550} \\ &= \text{RM10,550.00} \end{aligned}$$

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

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

Calculation of investment amount

Following the illustration above, assuming the NAV per unit calculated for a Business Day is RM0.5110 (truncated to 4 decimal places).

Calculation of investment amount

= Number of units x NAV per unit
= 20,000 units x RM0.5110
= RM10,220.00

Calculation of withdrawal value and amount payable to you

Assuming you have 50,000 units, you wish to withdraw RM10,000 from your investment in the Fund. Your withdrawal request is received by us by 4:00 p.m. of a Business Day. NAV per unit for that Business Day is RM0.5230 (truncated to 4 decimal places).

Calculation of the number of units withdrawn

= Withdrawal value / NAV per unit
= RM10,000 / RM0.5230
= 19,120.46 units

Calculation of the number of your remaining units

= Units held before withdrawal – Units withdrawn
= 50,000.00 units – 19,120.46 units
= 30,879.54

Calculation of amount payable to you

= Withdrawal value – Withdrawal Fee paid
= RM10,000 – RM0
= RM10,000

Note: The above illustrations do not take into account GST.

3.3. INCORRECT PRICING

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

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

Notwithstanding the above, unless the Trustee otherwise directs, we shall make the reimbursement as per IMS, 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 RM10.00 or more to be reimbursed to a Unit holder for each sale or withdrawal transaction.

Subject to any regulatory requirements, we shall have the right to amend, vary or revise the abovesaid limits from time to time and disclose such amendment, variation or revision in this Master Prospectus (Shariah-compliant Funds).

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. 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.

However, we have the right to reject an application on reasonable grounds.

Further, if we are aware of any resident of the US (i.e. someone who has a USA address (permanent or mailing)) or US 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-US resident or non-US 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 or our head office after completing the relevant application forms and attaching a copy of your identity card, passport or any other identification document. We may request for additional supporting document(s) or

information from you. On the application form, please 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 invest:

- by crossed cheque, banker's draft, money order or cashier's order (made payable as advised by us or our Distributors as the case may be). You will have to bear the commission charges for outstation cheques, if any;
- directly from your bank account held with our Distributors, where applicable; or
- by such other mode of payment that we and/or the relevant authorities 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, direct from your account held with a bank approved by our Distributors. We will process the monthly investments made via the RSP when we receive your application and/or your monthly investment cheque. You can also arrange a standing instruction with our Distributors to invest a pre-determined amount in the Fund 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. All applicants must be at least eighteen (18) years of age.

In the event of the demise of a joint holder who is a non-Muslim, we will only recognize the surviving joint holder as the rightful owner. Where the deceased is a Muslim, 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:

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

The addresses and contact numbers of our head office and regional offices are disclosed in the "Corporate Directory" chapter. The Distributors of the Funds are listed in the "Distributors of the Funds" chapter

You are advised not to make payment in cash to any individual agent 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 of the Funds is stipulated in the table below.

Funds	Minimum initial investment [#] (RM)	Minimum additional investment [#] (RM)	Regular Savings Plan (RSP)	
			Minimum initial investment [#] (RM)	Minimum additional investment [#] (RM)
Equity Funds				
CIMB Islamic DALI Equity Growth Fund	500	200	500	200
CIMB Islamic DALI Equity Fund	500	200	500	200
CIMB Islamic Al-Azzam Equity Fund	500	200	500	200
CIMB Islamic DALI Asia Pacific Equity Growth Fund	500	200	500	200
CIMB Islamic Equity Aggressive Fund	500	200	500	200
CIMB Islamic Small Cap Fund	500	200	500	200
CIMB Islamic Asia Pacific Equity Fund	500	200	500	200
Mixed Asset Funds				
CIMB Islamic Balanced Fund	500	200	500	200
CIMB Islamic Balanced Growth Fund	500	200	500	200

Funds	Minimum initial investment [#] (RM)	Minimum additional investment [#] (RM)	Regular Savings Plan (RSP)	
			Minimum initial investment [#] (RM)	Minimum additional investment [#] (RM)
Sukuk & Money Market Funds				
CIMB Islamic Enhanced Sukuk Fund	2,000	500	2,000	500
CIMB Islamic Sukuk Fund	2,000	500	2,000	500
CIMB Islamic Money Market Fund	10,000	1,000	N/A	N/A
CIMB Islamic Deposit Fund	10,000	1,000	10,000	1,000

[#] The amount includes any applicable fees and charges, such as sales charge (if any), which are subject to any applicable taxes (including but not limited to GST).

Note:

- You may request for a lower amount when purchasing units (or additional units), which will be at our sole and absolute discretion. However, you should note that we may, for any reason at any time, where applicable, accept or reject your request to lower the amount or number of units and without having to assign any reason, either generally (for all investors) or specifically (for any particular investor or a group of investors) without prior notice to you.
- The minimum initial investment for the EPF-MIS shall be RM1,000 (or such other amount as may be determined by EPF) or as per the amount stated under the minimum initial investment column, 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 <http://www.cimb-principal.com.my> or <http://www.kwsp.gov.my> for updated information.
- We reserve the right to change the above stipulated amounts from time to time.

3.5.1. Processing an application

If we receive a complete application by 4:00 p.m., we will process it using the NAV per unit for that Business Day. If we receive the application after 4:00 pm, we will be processed 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 information and/or documentations. The number of units you receive will be rounded down to two (2) decimal places.

However, for investments into the **IMMF**, applications made under the EPF-MIS shall be the daily NAV per unit at the next valuation point after disbursement of funds by the EPF.

For the **IMMF** and the **IDF**, we will process your investments made via Telegraphic Transfers or cheques will be processed as follows:

a) Telegraphic Transfers

If we accept an application and receive the money by the cut off time on a Business Day, i.e. by 4:00 p.m., we will process the application on the same Business Day and the NAV per unit quoted at the end of the same Business Day shall apply. If we receive the applications and money after the cut off time on a Business Day, i.e. after 4:00 p.m., we will process the application on the next Business Day (T+1), and the NAV per unit quoted at the end of the 2nd Business Day (T+1) shall apply.

b) Cheques

If we accept an application by the cut off time on a Business Day, i.e. 4:00 p.m., the NAV per unit quoted at the end of the 3rd Business Day (T+2) and upon clearance of the cheque shall apply for the application. For applications we receive after 4:00 p.m. on a Business Day, we will process the application on the next Business Day, i.e. NAV per unit quoted at the end of the 4th Business Day (T+3) and upon clearance of the cheque shall apply.

3.6. MINIMUM WITHDRAWALS AND MINIMUM BALANCE

The minimum withdrawals amount and minimum balance for the Funds are stipulated in the table below, unless you are withdrawing your entire investment. You may withdraw by completing a withdrawal form and sending it to the relevant Distributor or our head office. There is no restriction on the frequency of withdrawals. Please note that for EPF Investments, your withdrawal proceeds will be paid to EPF.

Funds	Minimum withdrawal (units)	Minimum balance (units)
Equity Funds		
CIMB Islamic DALI Equity Growth Fund	200 units	250
CIMB Islamic DALI Equity Fund	200 units	250
CIMB Islamic Al-Azzam Equity Fund	800 units	1,000
CIMB Islamic DALI Asia Pacific Equity Growth Fund	400 units	500
CIMB Islamic Equity Aggressive Fund	200 units	250

CIMB Islamic Small Cap Fund	400 units	500
CIMB Islamic Asia Pacific Equity Fund	400 units	500
Mixed Asset Funds		
CIMB Islamic Balanced Fund	400 units	500
CIMB Islamic Balanced Growth Fund	400 units	500
Sukuk & Money Market Funds		
CIMB Islamic Enhanced Sukuk Fund	500 units	1,000
CIMB Islamic Sukuk Fund	500 units	1,000
CIMB Islamic Money Market Fund	1,000 units	5,000
CIMB Islamic Deposit Fund	1,000 units	5,000

Note:

- We reserve the right to change the above stipulated amounts from time to time.
- There is no exit and re-entry option.
- Withdrawal is subject to the minimum balance being maintained.
- You may request for a lower amount or number of units when withdrawing units, which will be at our sole and absolute discretion. However, you should note that we may, for any reason at any time, where applicable, accept or reject your request to lower the amount or number of units and without having to assign any reason, either generally (for all investors) or specifically (for any particular investor or a group of investors) without prior notice to you. We may also, for any reason at any time, where applicable, reduce the minimum balance, either generally (for all investors) or specifically (for any particular investor or a group of investors) without prior notice to you. For increase in the amount or units for minimum withdrawal and minimum balance, we will require concurrence from the Trustee and you will be notified of such changes before implementation.

3.6.1. Processing a withdrawal

If we receive a complete withdrawal request by 4:00 p.m. 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. 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 RM within ten (10) calendar days. 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 **ISF**, **ISCF** and **IESF**, 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 fifteen (15) calendar days from the day we receive the withdrawal notice. For details, please refer to "Approvals and Conditions" chapter on pag 29.

For the **IDF** and the **IMMF**, we will pay to you in RM within three (3) Business Days from the day we receive the withdrawal notice. For a withdrawal amount greater than RM30 million, you are required to provide us with a written notice (electronically or otherwise) of minimum seven (7) Business Days of such intention to withdraw to enable us to process the withdrawal.

Illustration for IDF and IMMF:

If you wish to withdraw RM35 million from your investment in IDF on 11 August 2017, you must provide us a prior written notice on 2 August 2017. You will be paid in RM by 16 August 2017.

3.7. COOLING-OFF PERIOD

You have six (6) Business Days after your initial investment (i.e. the date the application form is received and accepted by us or 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. We will refund the investment amount including the Application Fee (if any) to you in RM within ten (10) calendar days from the day we receive the complete documentations. Please note that the cooling-off right is only given to first time investor investing with us or any of our Distributors. However, CIMB-Principal's staff and person(s) registered to deal in unit trust of CIMB-Principal or any of our Distributors are not entitled to the cooling-off right.

In addition, if you have invested via the EPF-MIS, your cooling-off right is subject to EPF's terms and conditions.

3.8. SWITCHING

You have the option to switch into any of CIMB-Principal Funds that allow switching of units. The switching is based on the value of your investments in the Fund, at the point of exercising the switch.

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

- For switching out of the Fund:
 - the minimum withdrawal amount applicable to the Fund that you intend to switch out;
 - the minimum balance required for the Fund that you intend to switch out, unless you are withdrawing from the Fund in entirety; and
 - the Withdrawal Fee of the Fund that you intend to switch out (if any).

- For switching into the Fund:
 - the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Fund that you intend to switched into; and
 - the Switching Fee applicable for the proposed switch (if any).

To switch, simply complete a switch request form and send to the relevant Distributor or our head office.

Currently, there is no restriction on the frequency of switches. You may negotiate to lower the amount for your switch with us or with our Distributors. However, we have the discretion to allow or to reject any switching into (or out of) a Fund, including its terms and conditions.

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 Shariah-compliant fund rather than into any other conventional fund as it is not permitted from the Shariah perspective.*

Processing a switch

We process a switch as a withdrawal from one fund and an investment into another. Switching application should be made by the cut-off time of 4.00 p.m. on any Business Day.

Please note that the NAV per unit of the fund to be switched out and the NAV per unit of the fund to be switched into may be of different Business Days. The table below sets out the pricing policy for switching for CIMB-Principal Funds:

Switching Type	Pricing Day (Business Day)	
	Switch Out Fund	Switch In Fund
Foreign fund to foreign fund	T day	T day
Local /Sukuk fund to local /Sukuk fund		
Local /Sukuk fund to foreign fund		
Money Market fund to local /Sukuk or foreign fund		
Foreign fund to local /Sukuk fund/ foreign fund	T day	T + 1 day
Money Market fund to Money Market fund		
Local/ Sukuk/foreign fund to Money Market fund	T day	T + 4 day

Note:

Foreign fund refers to funds with foreign investments.

Local fund refers to funds without foreign investments.

3.9. TRANSFER FACILITY

You are allowed to transfer your unit holdings subject to such terms and conditions as may be stipulated in the respective Deeds. However, we may allow/refuse any transfer of unit at our absolute discretion. You may be subjected to Transfer Fee of not more than RM50.00 for each transfer.

3.10. DISTRIBUTION PAYMENT

Depending on the distribution policy of a Fund, distribution (if any) will be made at the end of each distribution period according to its distribution policy. Each unit of the Fund 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 Fund 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 Fund, please see the respective Fund under "Funds information" chapter.

All distributions (if any) will be automatically reinvested into additional units in the Fund at the NAV per unit on the distribution date (the number of units is rounded down to two (2) decimal places), unless written instructions to the contrary are communicated to us. There will be no Application Fee 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 Fund, those additional units will then be withdrawn and the proceeds will be paid to you. Distribution payments will be made in RM.

Note: *Please note that for Funds that provide distribution, we have the right to make provisions for reserves in respect of distribution of the Fund. If the income available is too small or insignificant, any distribution may not be of benefit to 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.*

3.11. UNCLAIMED MONEYS

Any moneys payable to you which remain unclaimed after twelve (12) months as prescribed by the Unclaimed Moneys Act 1965 ("UMA"), as may be amended from time to time, 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.

However, for income distribution payout to you, if any, which remains unclaimed for six (6) months will be reinvested into the Fund 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 in circumstances where you still hold units of the Fund. As for income distribution payout by bank transfer, if any, shall be transmitted to your valid and active bank account. If the bank transfer remained unsuccessful and unclaimed for six (6) months, it will be reinvested into the Fund within thirty (30) Business Days after the six (6) months period based on the prevailing NAV per unit on the day of the reinvestment in circumstances where you still holds units of the Fund. No Application Fee is payable for the reinvestment. In the event that you no longer hold any unit in the Fund, the distribution money would be subject to the 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	CIMB Islamic DALI Equity Growth Fund	31 May.
	CIMB Islamic DALI Equity Fund	31 May.
	CIMB Islamic Al-Azzam Equity Fund	28 February.
	CIMB Islamic DALI Asia Pacific Equity Growth Fund	31 October.
	CIMB Islamic Equity Aggressive Fund	31 December.
	CIMB Islamic Small Cap Fund	31 May.
	CIMB Islamic Asia Pacific Equity Fund	30 April.
Mixed Asset Funds	CIMB Islamic Balanced Fund	30 September.
	CIMB Islamic Balanced Growth Fund	31 December.
Sukuk & Money Market Funds	CIMB Islamic Enhanced Sukuk Fund	31 March.
	CIMB Islamic Sukuk Fund	31 August.
	CIMB Islamic Money Market Fund	30 November.
	CIMB Islamic Deposit Fund	31 January.

4.2. INFORMATION ON YOUR INVESTMENT

We will send you the following:

- Your CIMB-Principal account 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); 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 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 to be 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 and NAV per unit from our monthly fund fact sheets and our website, www.cimb-principal.com.my.

If you have any questions about the information in this Prospectus or would like to know more about investing in this Fund, please contact our **Customer Care Centre** at **(603) 7718 3100** between 8:30 am to 5:30 pm (Malaysian time), Mondays to Fridays (except on Selangor public holidays) or you can email us at service@cimb-principal.com.my.

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

CIMB-Principal Asset Management Berhad
Customer Care Centre
 50, 52 & 54 Jalan SS 21/39
 Damansara Utama
 47400 Petaling Jaya
 Selangor Darul Ehsan 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 • Third Supplemental Master Deed dated 25 June 2008 • Fourth Supplemental Master Deed dated 25 June 2008

	Deeds
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 • Tenth Supplemental Master Deed dated 23 July 2009
Sukuk & Money Market Funds	<ul style="list-style-type: none"> • 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

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;
- Current Master Prospectus (Shariah-compliant Funds) and supplementary or replacement prospectus, if any;
- The latest annual and interim reports of the Funds;
- Material contracts or documents referred to in this Master Prospectus (Shariah-compliant Funds);
- The audited financial statements of the Manager and the Funds (where applicable) for the current financial year and for the last three (3) financial 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 (Shariah-compliant Funds);
- Writ and relevant cause papers for all material litigation and arbitration disclosed in the Master Prospectus (Shariah-compliant Funds); and
- Any consent given by experts disclosed in this Master Prospectus (Shariah-compliant Funds), if any.

4.5. CONSENT

PricewaterhouseCoopers Taxation Services Sdn. Bhd., Maybank Trustees Berhad, AmanahRaya Trustees Berhad, HSBC (Malaysia) Trustee Berhad, MTrustee Berhad, Universal Trustee (Malaysia) Berhad and CIMB Islamic Bank Berhad 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 (Shariah-compliant Funds) in the form and context in which it appears and have not subsequently withdrawn their consent to the inclusion of their names and/or statements and/or reports in the form and context in which it appears in this Master Prospectus (Shariah-compliant 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 CIMB-Principal Funds 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.

As at LPD, none of our directors and substantial shareholders have either direct or indirect interest in other corporations that carry on a similar business with CIMB-Principal, except for the following:

Director / Shareholder	Position	Shareholding (Direct / Indirect)	Name of corporation
CIMB Group Sdn Bhd	Shareholder	√	CIMB-Principal Islamic Asset Management Sdn Bhd CIMB-Mapletree Management Sdn Bhd

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 may conduct cross trades between funds that we manage, subject to regulatory requirements.

As for 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 SC Guidelines, 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 (Shariah-compliant 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 its Rules of Business Conduct, 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 CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD

CIMB-Principal holds a Capital Markets Services License for fund management and dealing in securities restricted to unit trust under the CMSA and specialises in managing and operating unit trusts for Malaysian investors, both institutional and retail. CIMB-Principal's responsibilities include managing investment portfolios by providing fund management services to insurance companies, pension funds, unit trust companies, corporations and government institutions in Malaysia. In addition, CIMB-Principal is an approved private retirement scheme provider in Malaysia. It originally commenced its operations as a unit trust company in November 1995. As at LPD, CIMB-Principal has more than 21 years of experience in the unit trust industry. The shareholders of CIMB-Principal are CIMB Group and Principal International (Asia) Ltd.

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

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

The primary roles, duties and responsibilities of CIMB-Principal 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 CIMB-Principal nor are there any facts likely to give rise to any proceedings which might materially affect the business/financial position of CIMB-Principal.

5.1.1 The Board of Directors

As at LPD, the Board of Directors consists of eleven (11) members including four (4) Independent Directors. The Board of Directors oversees the management and operations of the CIMB-Principal and meets at least four (4) times a year.

Dato' Robert Cheim Dau Meng	- Non-independent director	Alejandro Elias Echegorri Rodriguez	- Non-independent director
Effendy bin Shahul Hamid	- Non-independent director	Dato' Anwar bin Aji	- Independent director
Auyeung Rex Pak Kuen*	- Non-independent director	Wong Joon Hian	- Independent director
Pedro Esteban Borda	- Non-independent director	A.Huzaima bin Dato' Abdul Hamid	- Independent director
Munirah binti Khairuddin	- Non-independent director	Hisham bin Zainal Mokhtar	- Independent director
Paul Wong Chee Kin	- Non-independent director	Thomas Cheong Wee Yee**	- Non-independent director

* Resigned with effect from 14 June 2017

** Appointed with effect from 14 June 2017

5.1.2 The Investment Committee

As at LPD, the Investment Committee consists of six (6) members including three (3) independent members. Generally, the Investment Committee meets once a month and is responsible for ensuring that the investment management of the Funds is consistent with the objectives of the Funds, the Deeds, the SC Guidelines and relevant securities laws, our internal investment restrictions and policies, as well as acceptable and efficacious investment management practices within the unit trust industry. In this role, the powers and duties of the Investment Committee include formulating and monitoring our implementation of appropriate investment management strategies for the Funds and the measurement and evaluation of our performance.

5.1.3 Designated person responsible for fund management function

Name:	Patrick Chang Chian Ping
Designation:	Chief Investment Officer, Malaysia
Experience:	Patrick was appointed as the Chief Investment Officer, Malaysia on 22 February 2016. He comes with an extensive 15 year 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 oversees ASEAN equities for both Malaysian and offshore clients from 2012. Prior to that, he served as Senior Vice President for CIMB-Principal where he specialized in Malaysia, ASEAN and Asia specialist funds. He also worked as a portfolio manager at Riggs and Co International Private Banking in London specializing in managing global ETF portfolios. He is a holder of the Capital Markets Services Representative License.
Qualifications:	MSc Finance from City University Business School and BSc Accounting and Financial Analysis from University of Warwick (Chevening Scholar), UK.

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

6. THE SUB-MANAGER

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

The Manager has appointed CIMB-Principal (S) as the Sub-Manager for the investment foreign portion of **CIMB Islamic DALI Equity Fund, CIMB Islamic DALI Asia Pacific Equity Growth Fund, CIMB Islamic Balanced Fund and CIMB Islamic Asia Pacific Equity Fund**, and 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 SC Guidelines, the CMSA and the internal policies and procedures.

CIMB-Principal shall be responsible for the review, monitoring and oversight of CIMB-Principal (S) in the performance of its duties and obligations in respect of these Funds.

CIMB-Principal (S) 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 CIMB-Principal. CIMB-Principal (S) 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 CIMB-Principal Asset Management group of companies.

CIMB-Principal (S) 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 CIMB-Principal (S) nor is there any fact likely to give rise to any proceeding which might materially affect the business/financial position of CIMB-Principal (S) or any of its delegates.

6.1.1. Designated person responsible for fund management function

Name:	Christopher Leow
Designation:	Chief Investment Officer, Singapore
Experience:	Mr Leow joined CIMB-Principal in December 2003 and was transferred to CIMB-Principal (S) in May 2007. He has more than 20 years of experience in the equities and fund management industry. He is the Chief Investment Officer and a director of CIMB-Principal (S), 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 CIMB-Principal (S) 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: We have obtained the necessary consent and confirmation from each of the relevant parties with regards to the information disclosed in this section. For more and/or updated information, please refer to our website at <http://www.cimb-principal.com.my>.

7. THE SHARIAH ADVISER

7.1. ABOUT CIMB ISLAMIC BANK BERHAD

CIMB Islamic, licensed under the Malaysia's Islamic Financial Services Act 2013, is the global Islamic banking and finance services franchise of CIMB Group. It offers innovative and comprehensive Shariah-compliant financial solutions in investment banking, consumer banking, asset management, private banking and wealth management. It's headquartered in Kuala Lumpur, Malaysia and offers consumer banking, wholesale banking, asset management products and services which comply with Shariah principles. It's part of the fifth largest banking group in ASEAN, with over 40,000 staff in 17 countries across ASEAN, Asia and beyond. This enables CIMB Islamic to provide a wide range of products and services to commercial, corporate, and institutional customers across ASEAN, the Middle East, South Asia, North Asia, and major international financial centres. Its products and operations are managed in strict compliance with Shariah principles under the guidance of the CIMB Islamic Shariah Committee, which comprises the world's leading Islamic scholars.

CIMB Islamic has been appointed as the Shariah Adviser for the Fund. In line with the SC Guidelines, the roles of the Shariah Adviser are:

- to advise on all aspects of the Fund in accordance with Shariah principles;
- to provide Shariah expertise and guidance in all matters, particularly on the Fund's deed and prospectus, fund structure, investments and other operational matters;
- To ensure that the fund is managed and operated in accordance with Shariah principles, relevant SC regulations and standards, including resolutions issued by the SC's Shariah Advisory Council;
- to review the Fund's compliance report and investment transaction report to ensure that the Fund's investments are in line with Shariah principles; and
- to prepare a report to be included in the Fund's annual and interim reports stating its opinion whether the Fund has been operated and managed in accordance with the Shariah principles for the financial period concerned.

As at LPD, CIMB Islamic acts as Shariah adviser for a total of 38 funds. The Shariah committee meets at least six times a year to address Shariah advisory matters pertaining to the Fund, if any and review the Fund's investment to ensure compliance with Shariah principles.

In relation to Shariah matters, the designated person responsible for the Fund is Ashraf Gomma Ali. In addition, CIMB Islamic is backed by its own respective Shariah committee comprising of the following members:

- Sheikh Associate Professor Dr. Mohamed Azam Mohamed Adil (Chairman)
- Sheikh Professor Dr. Mohammad Hashim Kamali
- Sheikh Dr. Nedham Yaqoobi
- Sheikh Yang Amat Arif Dato' Dr. Haji Mohd Na'im Bin Haji Mokhtar
- Sheikh Associate Professor Dr. Shafaai bin Musa
- Sheikh Associate Professor Dr. Yousef Abdullah Al Shubaily

7.1.1. Designated Person Responsible For Shariah Adviser Function

Name:	Ashraf Gomma Ali
Designation:	Regional Head, Shariah & Governance, Group Islamic Banking, CIMB Group
Experience:	<p>Ashraf Gomma Ali joined CIMB in April 2017 as Director and Regional Head, Shariah & Governance Department He leads the overall functions of Shariah & Governance Department which is responsible to provide the Shariah advisory for all types of Islamic products both to the CIMB Group and external parties in asset & fund management, investment & corporate banking, retail & commercial banking, treasury & structured products, takaful, private equity and etc.</p> <p>Previously, he was attached to the Shariah Advisory and Governance Department of National Commercial Bank(NCB) Jeddah, Saudi Arabia for more than six years. There, he was the Shariah Assurance Manager He was actively involved in Shariah advisory activities of the Bank with specialty in treasury, corporate, retail and capital markets as Shariah subject matter expert, He was also involved transaction structuring and documentation of 20 billion SAR of corporate deals and also Shariah Lead on development of a full suite of Islamic alternative treasury products for hedging and structures investments covering alternatives to all conventional products. He was also actively involved in developing the Islamic finance industry in the United States where he served as a Shariah Supervisory Board member for an Islamic bank, as well as an Islamic finance expert for a well known body of scholars serving the North American community.</p>
Qualifications:	He holds a Bachelor of Finance from the University of Maryland, College Park, MD, USA and a Bachelor of Shariah (Hons) from the University of Umm Al Qura, Mecca, Saudi Arabia as well as Master in Islamic Finance Practice from International Centre for Education in Islamic Finance (INCEIF), Kuala Lumpur, Malaysia. He is also a Certified Shariah Auditor and Advisor from AAOIFI and a certified ACI Treasury Dealer.

Note: We have obtained the necessary consent and confirmation from each of the relevant parties with regards to the information disclosed in this section. For more and/or updated information, please refer to our website at <http://www.cimb-principal.com.my>.

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 SC Guidelines 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 SC Guidelines 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 SC Guidelines 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 SC Guidelines granted to the Trustees by the SC.

8.4. ABOUT AMANAHRAYA TRUSTEES BERHAD

ART is the trustee of the **CIMB Islamic Al-Azzam Equity Fund**, **CIMB Islamic DALI Asia Pacific Equity Growth Fund**, **CIMB Islamic Equity Aggressive Fund** and **CIMB Islamic Sukuk Fund**. ART was incorporated 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 Minister of Finance (Incorporated). 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), such as equities, bonds and assets.
- 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 **CIMB Islamic DALI Equity Growth Fund** and **CIMB Islamic Money Market Fund**. MTrustee was incorporated on 28 July 1987 and commenced its operations in March 1992, with its registered office at B-2-9, (2nd Floor), Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur. MTrustee 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 function of local investments of the Fund to AMSEC Nominees (Tempatan) Sdn. Bhd. AMSEC Nominees (Tempatan) Sdn. Bhd., a company incorporated in Malaysia and having its place of business at 8th Floor, Bangunan AmBank Group, 55 Jalan Raja Chulan, 50200 Kuala Lumpur is a wholly owned subsidiary of AmInvestment Bank Berhad. The custodian's main services include safekeeping and custody of securities listed on Bursa Malaysia as well as acting on corporate action exercise.

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

8.5.2. Delegation of MTrustee custodial functions (for IMMF)

MTrustee has delegated its custodian function to CIMB Bank Berhad (CIMB Bank). CIMB Bank's ultimate holding company is CIMB Group Holdings Berhad, a listed company in Bursa Malaysia and currently the second largest financial services provider in Malaysia. CIMB Bank provides full fledged custodial services, typically clearing, settlement and safekeeping of all types of investment assets and classes, to a cross section of investors and intermediaries client base, both locally and overseas.

For the local Ringgit assets, they are held through its wholly owned nominee subsidiary "CIMB Group Nominees (Tempatan) Sdn Bhd". For foreign non-Ringgit assets, CIMB Bank appoints global custodian as its agent bank to clear, settle and safekeep on its behalf and to its order.

All investments are automatically registered in the name of the custodian to the order of the Trustee. CIMB Bank acts only in accordance with instructions from the Trustee.

8.5.3. Material Litigation and Arbitration

As at LPD, MTrustee is not engaged in any material litigation as plaintiff or defendant and MTrustee 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.

8.6. ABOUT HSBC (MALAYSIA) TRUSTEE BERHAD

HSBCT is the trustee for **CIMB Islamic Enhanced Sukuk Fund**, **CIMB Islamic Deposit Fund** and **CIMB Islamic Asia Pacific Equity Fund**. HSBCT is a company incorporated in Malaysia since 1937 and registered as a trust company under the Trust Companies Act 1949, with its registered address at 13th Floor, Bangunan HSBC, South Tower, No 2, Leboh Ampang, 50100 Kuala Lumpur.

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.

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

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

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

The Trustee shall be entitled to process, transfer, release and disclose from time to time any information relating to the Fund, 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 SC Guidelines and any other legal and/or regulatory obligations such as conducting financial crime risk management to the Trustee's parent company, subsidiaries, associate company, 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

The Trustee 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 their nominee company, 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 the Trustee. The custodian acts only in accordance with instructions from the Trustee.

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

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

8.6.2. Material Litigation and Arbitration

As at LPD, neither HSBCT 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.

8.7. ABOUT MAYBANK TRUSTEES BERHAD

MTB is the Trustee of the **CIMB Islamic Balanced Growth Fund** 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.

Maybank Trustees Berhad 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 10 March 2017, save for the suit(s) 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") have sued Aldwich for its failure to settle its indebtedness to the Bondholders following the default of the said bonds in 2010 and cited 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 RM177,248,747.31 or any other sum that the Court deems fit. The other defendants are the holding company of Aldwich, the Chief Executive Officer of the holding company of Aldwich, the Security Agent and the Reporting Accountant. The Trustee does not admit liability to the Aldwich Bondholders' Suit and has defended it. Trial has concluded. The High Court is yet to fix a date for delivery of its decision on the Aldwich Bondholders' Suit after adjourning the earlier dates of 30 December 2016, 20 January 2017, 23 January 2017, 28 February 2017, 3 March 2017, 9 March 2017, 5 April 2017, 11 April 2017 and 20 April 2017. The Aldwich Bondholders' Suit will not materially affect the business or financial position of the Trustee.

8.8. ABOUT UNIVERSAL TRUSTEE (MALAYSIA) BERHAD

UTMB is the trustee of the **CIMB Islamic DALI Equity Fund**, **CIMB Islamic Small Cap Fund** and **CIMB Islamic Balanced Fund**. UTMB was incorporated on 5 March 1974 under the Companies Act 2016. It has an authorised capital of RM5,000,000 divided into 500,000 ordinary shares of RM10 each of which 100,000 ordinary shares of RM10 each are issued and RM5 called and paid-up.

UTMB has more than thirty years of experience in the unit trust industry.

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.

***Note:** We have obtained the necessary consent and confirmation from each of the relevant parties with regards to the information disclosed in this section.*

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 the Funds represents an equal undivided beneficial interest in the assets of the Fund. However, the unit does not give you an interest in any particular part of the Funds 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 Funds 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 SC Guidelines;
- (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 SC Guidelines 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 Funds.
- (ii) Our recourse and the recourse of the Trustees 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 % / RM	Withdrawal Fee % / RM	Switching Fee % / RM
Equity Funds			
CIMB Islamic 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 Prospectus.
CIMB Islamic 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 relation to switching may be charged as set out in the Prospectus.
CIMB Islamic Al-Azzam Equity	Up to 7% is charged	Up to 5% of the	A fee not exceeding 7% of the NAV per unit. An

	Charges		
	Application Fee % / RM	Withdrawal Fee % / RM	Switching Fee % / RM
Fund	on the NAV per unit.	NAV per unit.	administrative fee in relation to switching may be charged as set out in the Prospectus.
CIMB Islamic 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 Prospectus.
CIMB Islamic Equity Aggressive 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 Prospectus.
CIMB Islamic Small Cap 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 Prospectus.
CIMB Islamic Asia Pacific 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 Prospectus.
Mixed Assets Funds			
CIMB Islamic 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 Prospectus.
CIMB Islamic 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 Prospectus.
Sukuk & Money Market Funds			
CIMB Islamic 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.
CIMB Islamic 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 Prospectus.
CIMB Islamic Money Market 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 Prospectus.
CIMB Islamic Deposit 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 Prospectus.

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

	Fees	
	Management Fee % / RM	Trustee Fee % / RM
Equity Funds		
CIMB Islamic DALI Equity Growth Fund	Up to 2.25% per annum, calculated daily on the NAV.	0.06% per annum, calculated daily on the NAV.
CIMB Islamic DALI Equity Fund	Up to 3.00% per annum, calculated daily on the NAV.	0.06% per annum, calculated daily on the NAV.
CIMB Islamic Al-Azzam Equity 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.
CIMB Islamic 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.
CIMB Islamic Equity Aggressive Fund	Up to 1.50% per annum, calculated daily on the NAV.	0.09% per annum, calculated daily on the NAV.
CIMB Islamic Small Cap Fund	Up to 3.00% per annum, calculated daily on the NAV.	0.06% per annum, calculated daily on the NAV.
CIMB Islamic Asia Pacific 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		
CIMB Islamic Balanced Fund	Up to 1.50% per annum, calculated daily on the NAV.	0.10% per annum, calculated daily on the NAV.
CIMB Islamic 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 & Money Market Funds		
CIMB Islamic 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).
CIMB Islamic Sukuk Fund	Up to 3.00% per annum, calculated daily on the NAV.	0.06% per annum, calculated daily on the NAV.
CIMB Islamic Money Market Fund	Up to 3.00% per annum, calculated daily on the NAV.	Up to 0.03% per annum, calculated daily on the NAV (excluding foreign sub-custodian fees and charges).
CIMB Islamic Deposit Fund	Up to 3.00% per annum, calculated daily on the NAV.	0.04% per annum, calculated daily on the NAV (excluding foreign sub-custodian fees and charges).

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 (Shariah-compliant Funds).

Any increase of the fees and/or charges above that stated in the current Master Prospectus (Shariah-compliant 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 custodial function is delegated by the Trustees), charges/fees paid to the sub-custodian;
- tax (including but not limited to GST) 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 independent members of the investment committee and/or the members of the Shariah committee or advisers (if any) of the Funds, unless we decide to bear the same;
- fees for valuation of any investment of the Funds by independent valuers for the benefit of the Funds;
- costs incurred for the modification of the Deeds otherwise than 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 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 any asset, including proceedings against us or the Trustees by the other of them for the benefit of the Funds (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; 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

The Funds 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, 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;
- (d) the Fund(s) 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.

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 in the following manner:

- (a) 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; and
- (b) 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 newspaper published daily and circulating generally throughout Malaysia, and in one other newspaper as may be approved by the SC.

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 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 is five (5) Unit holders of the Fund 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 at the time of the meeting. If the Fund has five (5) or less Unit holders, the quorum required shall be two (2) Unit holders, 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 at the time of the meeting.

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 present in person or by proxy has one (1) vote on a show of hands. On a poll, each Unit holder present in person or by proxy has one (1) vote for each whole fully paid unit held. 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, voting shall only be carried out by poll.

10. TAXATION REPORT

PricewaterhouseCoopers Taxation Services Sdn Bhd

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

The Board of Directors

CIMB-Principal Asset Management Berhad
10th Floor, Bangunan CIMB
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur

30 April 2017

Dear Sirs,

TAXATION OF THE TRUSTS OFFERED UNDER THE MASTER PROSPECTUS (SHARIAH-COMPLIANT FUNDS) AND UNIT HOLDERS

This letter has been prepared for inclusion in the Master Prospectus (Shariah-Compliant Funds) dated 30 June 2017 (“hereinafter referred to as “the Master Prospectus”) in connection with the offer of units in the trusts listed in the **Appendix** (“the Trusts”).

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

TAXATION OF THE TRUSTS

The Trusts will be regarded as resident for Malaysian tax purposes since the trustees of the Trusts are resident in Malaysia.

(1) Domestic Investments

(i) General taxation

The income of the Trusts consisting of dividends, interest or profit¹ (other than interest and profit¹ which is exempt from tax) and other investment income derived from or accruing in Malaysia, after deducting tax allowable expenses, is liable to Malaysian income tax at the rate of 24 per cent.

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

(ii) Dividends and Other Exempt Income

Effective 1 January 2014, all companies would adopt the single-tier system. Hence dividends received would be exempted from tax and the deductibility of expenses incurred against such dividend income would be disregarded. There will no longer be any tax refunds available for single-tier dividends received. Dividends received from companies under the single-tier system would be exempted.

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

Interest income or profit¹ or discount income derived from the following investments are exempt from tax:

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

¹ Section 2(7) of the Malaysian Income Tax Act 1967, provides that any reference to interest shall apply equally to gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of Shariah.

The effect of this is that any gains or profits received and expenses incurred in Shariah transactions will be given the same tax treatment as interest similar to a conventional transaction.

As such, provided the investment in structured products is seen to be “debentures” under Capital Markets and Services Act 2007, the income received will be exempted. Otherwise, tax implications could arise.

Interest income or profit¹ derived from the following investments are exempt from tax²:

- a) Interest or profit¹ paid or credited by any bank or financial institution licensed under the Financial Services Act 2013 or Islamic Financial Services Act 2013;
- b) Interest or profit¹ paid or credited by any development financial institution regulated under the Development Financial Institutions Act 2002;
- c) Bonds, other than convertible loan stocks, paid or credited by any company listed in Bursa Malaysia Securities Berhad ACE Market; and
- d) Interest or profit¹ paid or credited by Malaysia Building Society Berhad³.

The interest income or profit¹ or discount income exempted from tax at the Trusts' level will also be exempted from tax upon distribution to the unit holders.

(2) Foreign Investments

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

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

(3) Hedging Instruments

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

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

(4) Income from Malaysia Real Estate Investment Trusts (“REITs”)

Income from distribution from REITs will be received net of final withholding tax of 10⁴ per cent. No further tax will be payable by the Trusts on the distribution. Distribution from such income by the Trusts will also not be subject to further tax in the hands of the unit holders.

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

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

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

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

Interest earned on collateral is not exempted from income tax / withholding tax. Interest or profit¹ paid by Bursa Malaysia Securities Clearing Sdn Bhd on cash collateral will be exempted from tax when received by non-resident borrowers and individual borrowers who are residents.

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

2 Pursuant to the Finance Act 2017 which was gazetted on 16 January 2017, the interest income received for a money market fund, the exemption shall only apply to a wholesale fund which the criteria as set out in the Securities Commission Malaysia guidelines effective from YA 2017.

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

4 Pursuant to Finance Act 2015, Act 773, the reduced withholding tax rate of 10% has been extended up to 31 December 2019.

(6) Other Income

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

(7) Tax Deductible Expenses

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

(8) Real Property Gains Tax ("RPGT")

With effect from 1 January 2014, any gains on disposal of real properties or shares in real property companies⁵ would be subject to RPGT as follows:-

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

(9) Goods and Services Tax ("GST")

GST has been implemented effective 1 April 2015 at the rate of 6% to replace the existing sales tax and service tax. Based on the guidelines⁶ issued, the Trusts, being collective investment vehicles, will be making exempt supplies. Hence, the Trusts are not required to register for GST purposes. However, the Trusts will incur expenses such as management fees, trustee fees and other administrative charges which will be subject to 6% GST. The 6% input tax incurred on such expenses will not be claimable by the Trusts and represents a cost to the Trusts.

TAXATION OF UNIT HOLDERS

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

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

Corporate unit holders, resident⁷ and non-resident, will generally be liable to income tax at 24 per cent on distribution of income received from the Trusts. The tax credits attributable to the distribution of income can be utilised against the tax liabilities of these unit holders.

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

6 Pursuant to GST Guide on Fund Management (as at 11 April 2016 issued by the Royal Malaysian Customs).

7 Resident companies with paid up capital in respect of ordinary shares of RM2.5 million and below will pay tax at 19 per cent for the first RM500,000 of chargeable income with the balance taxed at 24 per cent.

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

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

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

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

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

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

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

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

The issuance of units by the Trusts is an exempt supply. The selling or redemption of the units is also an exempt supply and therefore is not subject to GST. Any fee based charges related to buying of the units by unit holders in Malaysia and outside Malaysia such as sales or service charge or switching fees will be subject to GST at a standard rate of 6%.

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

Yours faithfully,

for and on behalf of

PRICEWATERHOUSECOOPERS TAXATION SERVICES SDN BHD

Jennifer Chang
Senior Executive Director

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

APPENDIX

The Trusts consist of the following 13 funds:-

1.	CIMB Islamic DALI Equity Growth Fund
2.	CIMB Islamic DALI Equity Fund
3.	CIMB Islamic Al-Azzam Equity Fund
4.	CIMB Islamic DALI Asia Pacific Equity Growth Fund
5.	CIMB Islamic Equity Aggressive Fund
6.	CIMB Islamic Small Cap Fund
7.	CIMB Islamic Asia Pacific Equity Fund
8.	CIMB Islamic Balanced Fund
9.	CIMB Islamic Balanced Growth Fund
10.	CIMB Islamic Enhanced Sukuk Fund
11.	CIMB Islamic Sukuk Fund
12.	CIMB Islamic Money Market Fund
13.	CIMB Islamic Deposit Fund

11. DISTRIBUTORS OF THE FUNDS

The CIMB-Principal Shariah-compliant Funds are available (but not limited to) from the following distributors and their branches:

CIMB-Principal Asset Management Berhad

CWA
50, 52 & 54 Jalan SS21/39
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan MALAYSIA
(03) 7718 3000

(Distributor for all Funds)

CIMB Investment Bank Berhad – Retail Equities

(A Participating Organisation of Bursa Malaysia Securities Berhad)
17th Floor, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral,
50470 Kuala Lumpur MALAYSIA
(03) 22618888

(Distributor Azzam, IEAF, IBGF, IESF, IMMF, IDF and IAPEF)

CIMB Islamic Bank Berhad

Menara Bumiputra-Commerce
11, Jalan Raja Laut
50350 Kuala Lumpur MALAYSIA
Tel : 1300 880 900

Distributor for DALI, DALI2, Azzam, DALI4, IEAF, ISCF, IBF, IBGF, IESF, ISF, IMMF, IDF and IAPEF)

Bank Kerjasama Rakyat Malaysia Berhad

Tingkat 15, Bangunan PERKIM
150, Jalan Ipoh
51200 Kuala Lumpur MALAYSIA
(03) 4027 2500

(Distributor for DALI, DALI4, IBF, IMMF and IAPEF)

Hong Leong Bank Berhad

Level 3, Wisma Hong Leong
18, Jalan Tun Perak
50450 Kuala Lumpur
(03) 2164 2828

(Distributor for DALI2, IEAF, ISCF, IBF, IBGF, IESF, and IAPEF)

IFAST Capital Sdn Bhd

Level 28, Menara Standard Chartered
No 30, Jalan Sultan Ismail
50250 Kuala Lumpur
(03) 2149 0660

(Distributor for Azzam, IAPEF, IEAF, IESF and ISCF)

Kuwait Finance House (Malaysia) Berhad

Level 18, Tower 2
Etiqa Twins
11, Jalan Pinang
P.O. Box 10103
50704 Kuala Lumpur

(Distributor for DALI, DALI2, IAPEF and IMMF)

CIMB Bank Berhad

Menara Bumiputra-Commerce
11, Jalan Raja Laut
50350 Kuala Lumpur MALAYSIA
1 300 880 900

(Distributor for DALI, DALI2, Azzam, DALI4, IEAF, ISCF, IBF, IBGF, IESF, ISF, IMMF, IDF and IAPEF)

CIMB Private Banking

17th Floor, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral,
50470 Kuala Lumpur
Malaysia
(03) 22618888

(Distributor for DALI, DALI2, Azzam, DALI4, IEAF, ISCF, IBF, IBGF, IESF, ISF, IMMF, IDF and IAPEF)

AmInvestment Bank Berhad

18th Floor, Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur
(03) 2036 1300

(Distributor for DALI, DALI2, DALI4, IEAF, ISCF, IBF, IBGF and ISF)

Citibank Berhad

Head Office
Citibank Investment Services
Menara Citibank
165, Jalan Ampang,
50450 Kuala Lumpur MALAYSIA
(03) 2383 8833

(Distributor for IBGF and IAPEF)

HSBC Bank Malaysia Berhad

Head Office
Personal Financial Services
2 Leboh Ampang
50100 Kuala Lumpur MALAYSIA
(03) 2050 7878

(Distributor for IBF, IEAF, ISF and IAPEF)

Kenanga Investment Bank Berhad

8th Floor, Kenanga International
Jalan Sultan Ismail
50250 Kuala Lumpur MALAYSIA
(03) 2164 9080

(Distributor for DALI, DALI2, DALI4, IEAF, ISCF, IBF, IBGF, IESF, ISF, IMMF, IDF and IAPEF)

OCBC Bank (Malaysia) Berhad

Head Office
Menara OCBC
18, Jalan Tun Perak
50500 Kuala Lumpur MALAYSIA
(03) 2034 5034

(Distributor for IAPEF, IBF, IEAF and IESF)

Phillip Mutual Berhad
B-2-7, Megan Avenue II
Jalan Yap Kwan Seng
50450 Kuala Lumpur MALAYSIA
(03) 2783 0300

(Distributor for IEAF, IBGF, IESF, IMMF, IAPEF and Azzam)

Standard Chartered Bank Malaysia Berhad
Menara Standard Chartered
Level 8, 30 Jalan Sultan Ismail
50250 Kuala Lumpur MALAYSIA
(03) 7718 9688

(Distributor for IMMF, IAPEF, IBGF and Azzam)

RHB Bank Berhad
Investment Services Department
Level 9, Tower 2, RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur MALAYSIA
(03) 9206 8118

(Distributor for DALI2, IAPEF, IEAF, ISCF, IBF, IBGF and IESF)

United Overseas Bank (Malaysia) Bhd
Level 2, Menara UOB
Jalan Raja Laut
50350 Kuala Lumpur MALAYSIA
(03) 2732 4332

(Distributor for IEAF, ISCF and IAPEF)

Note: We have the discretion in determining the Distributors of the Funds, including its appointment and/or termination from time to time. For updated information on the Distributors of the Funds, please call our **Customer Care Centre** at **(603) 7718 3100** between 8:30 a.m. and 5:30 p.m. (Malaysian time), Mondays to Fridays (except on Selangor public holidays).

APPENDIX I – RISK DISCLOSURE STATEMENT ON FINANCING FOR INVESTMENT IN UNIT TRUST

Investing in a unit trust fund with financing is more risky than investing with your own savings.

You should assess if financing is suitable for you in light of your objectives, attitudes to risk and financial circumstances. You should be aware of the risks, which would include the following:

1. The higher the margin of financing (that is, the amount of money you obtained via financing for every RM of your own money which you put in as deposit or down payment), the greater the loss or gain on your investment.
2. You should assess whether you have the ability to service the payment on the proposed financing. If your financing is a variable rate financing, and if profit rates/interest rates rise, your total payment amount will be increased.
3. If unit prices fall beyond a certain level, you may be asked to provide additional acceptable collateral (where units are used as collateral) or pay additional amounts on top of your normal instalments. If you fail to comply within the time prescribed, your units may be sold towards the settlement of your financing.
4. Returns on unit trusts are not guaranteed and may not be earned evenly over time. This means that there may be some years where returns are high and other years where losses are experienced. Whether you eventually realise a gain or loss may be affected by the timing of the sale of your units. The value of units may fall just when you want your money back even though the investment may have done well in the past.

The brief statement cannot disclose all the risks and other aspects of financing for investment. You should therefore carefully study the terms and conditions before you decide to obtain a financing for investment. If you are in doubt in respect of any aspect of the Risk Disclosure Statement or the terms of the financing for investment, you should consult the institution offering the financing.

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