

## Prospectus

16 January 2020

# Principal Asia Pacific Dynamic Mixed Asset Fund

*(formerly known as CIMB-Principal Asia Pacific Dynamic Mixed  
Asset Fund)*

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

**Trustee** : **HSBC (Malaysia) Trustee Berhad** (193701000084 (1281-T))

**THIS IS A REPLACEMENT PROSPECTUS. THIS PROSPECTUS IS ISSUED TO REPLACE AND/OR SUPERSEDE THE PROSPECTUS ISSUE NO. M2 OF THE CIMB-PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND DATED 9 JANUARY 2018.**

This Prospectus Issue No. M3 for the Principal Asia Pacific Dynamic Mixed Asset Fund is dated 16 January 2020.

This Fund was constituted on 11 July 2016.

**INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE 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 4.**

**THIS FUND IS A MULTI-CLASS FUND AND IS ALLOWED TO ESTABLISH NEW CLASS(ES) FROM TIME TO TIME AS MAY BE DETERMINED BY THE MANAGER.**

**AS THIS FUND IS A QUALIFYING CIS UNDER THE ASEAN CIS FRAMEWORK, INVESTORS SHOULD NOTE THAT THERE ARE CLASSES OF THE FUND THAT MAY BE OFFERED TO INVESTORS IN OTHER COUNTRIES THAT PARTICIPATE IN THE ASEAN CIS FRAMEWORK.**

# ABOUT THIS DOCUMENT

This is a Prospectus which introduces you to Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (“Principal Malaysia”) and the Principal Asia Pacific Dynamic Mixed Asset Fund (“Fund”). This Prospectus outlines in general the information you need to know to make an informed decision as to whether the Fund best suits your financial needs.

If you have any questions about the information in this Prospectus or would like to know more about investing in the Principal Malaysia family of unit trust funds, please call our Customer Care Centre at (603) 7718 3000 between 8:45 a.m. and 5:45 p.m. (Malaysian time) on Mondays to Thursdays and between 8:45 a.m. and 4:45 p.m. (Malaysian time) on Fridays (except on Selangor public holidays).

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notices, legislations or statutes for the time being in force, as may be amended, varied, modified, updated, superseded and/or re-enacted from time to time.

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

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

## PROSPECTUS DETAILS

<b>Issue No.</b>	<b>M3</b>
<b>Prospectus Date</b>	<b>16 January 2020</b>

## RESPONSIBILITY STATEMENTS

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

## STATEMENTS OF DISCLAIMER

The Securities Commission Malaysia has authorised the Fund and a copy of this Prospectus has been registered with the Securities Commission Malaysia.

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

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

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

## ADDITIONAL STATEMENTS

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

# DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Prospectus:

Application Fee	- Preliminary charge on each investment.
ASEAN	- Association of Southeast Asian Nations.
ASEAN CIS Framework	- Framework for cross-border public offers of Qualifying CIS.
Business Day	- Mondays to Fridays when Bursa Malaysia Securities Berhad is open for trading, and banks in Kuala Lumpur and/or Selangor are open for business. <b>Note:</b> We may declare certain Business Days to be a non-Business Day, if the Fund's investment in foreign markets which are closed for business or suspended is at least 50% of the Fund's NAV. This information will be communicated to you via our website at <a href="http://www.principal.com.my">http://www.principal.com.my</a> . Alternatively, you may contact our Customer Care Centre at 603-7718 3000.
CIMB Group	- CIMB Group Sdn. Bhd.
CIS	- Collective investment schemes.
Class	- Any class of units representing similar interest in the assets of the Fund.
Class MYR	- The Class of units issued by the Fund denominated in Ringgit Malaysia.
Class USD	- The Class of units issued by the Fund denominated in United States Dollar.
CMSA	- Capital Markets and Services Act 2007.
Deed	- The principal deed and all supplemental deed in respect of the Fund made between us and the Trustee, in which the Unit holders agree to be bound by the provisions of the Deed.
Deposit	- As per the definition of "deposit" in the Financial Services Act 2013 and "Islamic deposit" in the Islamic Financial Services Act 2013. <b>Note:</b> To exclude structured deposits.
Distributors	- Any relevant persons and bodies appointed by Principal Malaysia from time to time, who are responsible for selling units of the Fund, including Principal Distributors and IUTAs.
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	- Employees' Provident Fund Members Investment Scheme.
Fund or DY-APDMA	- Principal Asia Pacific Dynamic Mixed Asset Fund (formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund).
Home Jurisdiction	- Means the jurisdiction in which the Qualifying CIS is constituted or established, and approved by the competent securities regulator of that jurisdiction for offer to the public in that jurisdiction.
Host Jurisdiction	- Means a jurisdiction (other than the Home Jurisdiction) in which the Qualifying CIS is offered or to be offered to the public in that jurisdiction.
Home Regulator	- Means the securities regulator of the Home Jurisdiction.
Host Regulator	- Means the securities regulator of the Host Jurisdiction.
ICE	- ICE Data Services, Inc.
IMS	- Investment Management Standards issued by the Federation of Investment Managers Malaysia.
IOSCO	- International Organization of Securities Commissions; for further details, please refer to <a href="http://www.iosco.org">http://www.iosco.org</a> .
IUTAs	- Institutional Unit Trust Scheme Advisers.
LPD	- Latest Practicable Date i.e. 31 October 2019, in which all information provided herein shall remain current and relevant as at such date.
Management Fee	- A percentage of the NAV of the Class that is paid to the Manager for managing the portfolio of the Fund.
Medium to long term	- Refers to a period of three (3) years or more.
MCR	- Multi-class ratio, being the apportionment of the NAV of each Class over the Fund's NAV based on the size of each Class. The MCR is calculated by dividing the NAV of the respective Class by the NAV of the Fund before income and expenses for the day. The apportionment is expressed as a ratio and calculated as a percentage.

NAV	- Net Asset Value.
NAV of the Fund	- The NAV of the Fund is the value of all the Fund's assets less the value of all the Fund's liabilities, at the point of valuation. For the purpose of computing the annual Management Fee (if any) and annual Trustee Fee (if any), the NAV of the Fund should be inclusive of the Management Fee and Trustee Fee for the relevant day. The NAV of a Class is the NAV of the Fund attributable to a Class at the same valuation point.
NAV per unit	- The NAV attributable to a Class of units divided by the number of units in circulation for that Class, at the valuation point.
Organised Market	- Refers to an exchange, government securities market or an OTC market: (a) that is regulated by the relevant competent regulatory authority of that jurisdiction; (b) that is of good repute; (c) that is open to the public or a substantial number of market participants; and (d) on which financial instruments are regularly traded.
OTC	- Over-the-counter.
PIA	- Principal International (Asia) Ltd.
PFG	- Principal Financial Group and its affiliates.
Principal Distributors	- Refers to the unit trust scheme consultants of Principal Malaysia (authorized Principal Malaysia distributors).
Principal Malaysia or the Manager	- Principal Asset Management Berhad ( <i>formerly known as CIMB-Principal Asset Management Berhad</i> ).
Principal Singapore	- Principal Asset Management (S) Pte. Ltd. ( <i>formerly known as CIMB-Principal Asset Management (S) Pte. Ltd.</i> ).
Prospectus	- Refers to this disclosure document issued by us describing the details of the Fund.
Qualifying CIS	- Means a CIS constituted or established in its Home Jurisdiction which has been approved by its Home Regulator for offer to the public in the Home Jurisdiction, and assessed by its Home Regulator as suitable to apply to a Host Regulator for its units to be offered to the public cross-border in the Host Jurisdiction pursuant to the ASEAN CIS Framework.
RM or MYR	- Malaysian Ringgit.
RSP	- Regular Savings Plan.
SC	- Securities Commission Malaysia.
SC Guidelines	- Guidelines on Unit Trust Funds issued by the SC.
Signatory Countries	- Any countries that participate in the ASEAN CIS Framework.
S&P	- Standard & Poor's Rating Services.
Special Resolution	- A resolution passed by a majority of not less than three-fourth (3/4) of Unit holders voting at a meeting of Unit holders. For the purpose of terminating or winding up the Fund, a Special Resolution is passed by a majority in number representing at least three-fourth (3/4) of the value of the units held by Unit holders voting at the meeting.
Standards of Qualifying CIS	- Means the set of common standards set out under the Standards of Qualifying CIS which will govern cross border offering of CIS in ASEAN, as may be amended from time to time and shall include any handbook, practice notes, regulations, directive or requirement issued pursuant thereto or by the regulators and signatories of the said common standards and includes any amendment, modification, alteration, consolidation or re-enactment made thereto or for the time being in force.
Sub-Manager	- A fund management company/asset management company that assumes all/or part of the investment function role of the Manager.
Switching Fee	- A charge that may be levied when switching is done from one (1) fund or class to another.
Transfer Fee	- A nominal fee levied for each transfer of units from one (1) Unit holder to another.
Transferable Securities	- Refers to: (a) equities and other securities equivalent to equities; and (b) bonds and other forms of securitised debt; but do not include money market instruments or any security the title to which can be transferred only with the consent of a third party.
Trustee	- HSBC (Malaysia) Trustee Berhad.
Trustee Fee	- A percentage of the NAV of the Fund that is paid to the Trustee for its services rendered as trustee for the Fund.
UK	- United Kingdom.

Unit holder	-	The registered holder for the time being of a unit of the Fund including persons jointly so registered.
UIC	-	Unit in circulation.
USD	-	United States Dollar.
Withdrawal Fee	-	A charge levied upon withdrawal under certain terms and conditions (if applicable).
WFE	-	World Federations of Exchange.

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

# CORPORATE DIRECTORY

## **The Manager**

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

### **Business address**

10th Floor Bangunan CIMB  
Jalan Semantan  
Damansara Heights  
50490 Kuala Lumpur Malaysia  
Tel : (603) 2084 8888

### **Registered address**

8th Floor Bangunan CIMB  
Jalan Semantan  
Damansara Heights  
50490 Kuala Lumpur MALAYSIA  
Tel : (603) 2084 8888

### **Postal address**

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 Darul Ehsan Malaysia  
Tel : (603) 7718 3000  
Fax : (603) 7718 3003

### **Website**

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

### **E-mail**

[service@principal.com.my](mailto:service@principal.com.my)

## **Sub-Manager**

Principal Asset Management (S) Pte. Ltd.  
*(formerly known as CIMB-Principal Asset Management (S) Pte. Ltd.)*

### **Business/Registered address**

50, Raffles Place  
#22-03A&B Singapore Land Tower  
SINGAPORE 048623  
Tel : (65) 6390 0800  
Website : <http://www.principal.com.sg>

## **The Trustee**

HSBC (Malaysia) Trustee Berhad

### **Business/Registered address**

13th Floor, Bangunan HSBC, South Tower  
No. 2, Leboh Ampang  
50100 Kuala Lumpur Malaysia  
Tel : (603) 2075 7800  
Fax : (603) 2179 6511

**Note:** You may contact our **Customer Care Centre** at **(03) 7718 3000** for more information.

# TABLE OF CONTENTS

DEFINITIONS.....	ii
CORPORATE DIRECTORY.....	v
<b>1. FUND INFORMATION.....</b>	<b>1</b>
1.1. PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND.....	1
1.2. PERMITTED INVESTMENTS.....	2
1.3. INVESTMENT RESTRICTIONS AND LIMITS .....	3
1.4. APPROVALS AND CONDITIONS.....	4
1.5. BORROWINGS/ FINANCING.....	4
1.6. SECURITIES LENDING .....	4
1.7. RISK FACTORS.....	4
<b>2. FEES, CHARGES AND EXPENSES.....</b>	<b>7</b>
2.1. CHARGES .....	7
2.2. FEES AND EXPENSES .....	8
2.3. REBATES AND SOFT COMMISSIONS .....	9
<b>3. TRANSACTION INFORMATION.....</b>	<b>10</b>
3.1. VALUATION OF INVESTMENTS PERMITTED BY THE FUND .....	10
3.2. UNIT PRICING .....	10
3.3. INCORRECT PRICING.....	13
3.4. INVESTING .....	14
3.5. MINIMUM INVESTMENTS .....	15
3.6. MINIMUM WITHDRAWALS.....	15
3.7. MINIMUM BALANCE .....	15
3.8. COOLING-OFF PERIOD .....	15
3.9. SWITCHING .....	15
3.10. TRANSFER FACILITY .....	16
3.12. DISTRIBUTION PAYMENT.....	16
3.13. UNCLAIMED MONEYS.....	16
<b>4. ADDITIONAL INFORMATION.....</b>	<b>18</b>
4.1. FINANCIAL YEAR-END.....	18
4.2. INFORMATION ON YOUR INVESTMENT.....	18
4.3. DEED .....	18
4.4. DOCUMENTS AVAILABLE FOR INSPECTION .....	18
4.6. POTENTIAL CONFLICTS OF INTERESTS AND RELATED PARTY TRANSACTIONS.....	19
4.7. INTERESTS IN THE FUND.....	20
4.8. EMPLOYEES' SECURITIES DEALINGS.....	20
<b>5. THE MANAGER.....</b>	<b>21</b>
5.1. ABOUT PRINCIPAL ASSET MANAGEMENT BERHAD.....	21
<b>6. THE SUB-MANAGER .....</b>	<b>22</b>
6.1. ABOUT PRINCIPAL ASSET MANAGEMENT (S) PTE.LTD. ....	22
<b>7. THE TRUSTEE .....</b>	<b>23</b>
7.1. ABOUT HSBC (MALAYSIA) TRUSTEE BERHAD .....	23
<b>8. SALIENT TERMS OF DEED .....</b>	<b>24</b>
8.1. RIGHTS, LIABILITIES AND LIMITATION OF UNIT HOLDERS.....	24
8.2. MAXIMUM FEES AND CHARGES AND EXPENSES PERMITTED BY THE DEED .....	24
8.3. RETIREMENT, REMOVAL OR REPLACEMENT OF THE MANAGER .....	25
8.4. RETIREMENT, REMOVAL OR REPLACEMENT OF THE TRUSTEE .....	26
8.5. TERMINATION OF THE FUND .....	26
8.6. MEETINGS OF UNIT HOLDERS.....	26
<b>9. TAXATION REPORT.....</b>	<b>28</b>
<b>10. DISTRIBUTORS OF THE FUND .....</b>	<b>32</b>
10.1. OUR BRANCHES .....	32
<b>ANNEXURE - CLASS MYR .....</b>	<b>36</b>
<b>ANNEXURE – CLASS USD.....</b>	<b>39</b>

# 1. FUND INFORMATION

## 1.1. PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND

<b>Fund Category/Type</b>	: Mixed Asset / Growth & Income
<b>Investment Objective</b>	: The Fund aims to provide income and capital appreciation by investing in equities, debt securities, money market instruments and /or deposits. <i>We will require your approval if there is any material change to the Fund's investment objective.</i>
<b>Benchmark</b>	: The performance of this Fund cannot be compared directly with any specific publicly available benchmark. However, the Fund has a target return of six percent (6%) per annum.  This is not a guaranteed return and is only a measurement of the Fund's performance. The Fund may not achieve the target return in any particular financial year but targets to achieve this growth over the medium to long term.
<b>Distribution Policy</b>	: The distribution policy of each of the Class may differ. Please refer to the Annexure of the respective Class for more information. You may also refer to page 16 for information on the distribution payment.

### Base Currency & Classes

The base currency of the Fund is MYR.

Please note that the Fund is established with a multi-class structure where the Deed allows for the establishment of more than one (1) Class with similar interests in the assets of the Fund. You should note that the Fund is allowed to establish new Class(es) from time to time without your prior consent.

Under the Deed, Unit holders of each Class have materially the same rights and obligations. Each Class may be different in terms of currency denomination, fees and charges, and hence, will have its respective NAV per unit, denominated in its respective currency taking into account the aforementioned features. Although the Fund has multiple Classes, you should note that the assets of the Fund are pooled for investment purpose.

As this Fund is a Qualifying CIS under the ASEAN CIS Framework, there are Classes of the Fund that may be offered to investors in other countries that participate in the ASEAN CIS Framework. Application for investment in certain Classes may only be made available to investors in certain countries. We have the discretion to decide on the offering of any Classes in any participating countries.

Currently, the Classes below are available for sale in Malaysia. Please refer to the Annexure for further details on the Classes. You should note that we have the discretion to decide on the offering of other Classes for sale in the future. This information will be communicated to you via our website at <http://www.principal.com.my>. When in doubt, you should consult professional advisers for better understanding of the multi-class structure before investing in the Fund.

Name of Class	Launch date
Class MYR	9 January 2017
Class USD	9 January 2017

### Investment Policy and Principal Investment Strategy

The Fund will be managed with the aim to provide investors with income and capital appreciation over the medium to long term through investments in the Asia Pacific ex Japan region. The Fund seeks to achieve its investment objective through a diversified portfolio investment in equities, debt securities, money market instruments and/or Deposits. The investment in debt securities and money market instruments is to provide some capital stability to the Fund whilst the investment in equity portion will provide the added return in a rising market. The Fund may invest in Deposits for liquidity purpose.

The Fund may invest up to 100% of its NAV in equities, debt securities or money market instruments and Deposits with financial institutions. The Sub-Manager has the flexibility to determine its asset allocation between different asset classes according to their views on the prevailing market condition. For example, they may invest up to 100% of the NAV in debt securities and liquid assets in the volatile market to preserve value of the Fund or they can invest up to 100% of the NAV in equities with the aim to generate added return in rising market. The minimum credit rating for the debt securities must be at least "BBB" by S&P or equivalent rating by any other international rating agencies. The Fund may also invest up to 10% of the Fund's NAV in unrated fixed income securities.

At our discretion, the Fund may opt to access into the equities and/or debt securities market via the investment in units of other CIS, subject to the requirements of the SC Guidelines and the Standards of Qualifying CIS. When deemed necessary, we or the



Sub-Manager may also utilize derivative instruments such as futures contracts and currency forwards to hedge the portfolio, subject to the prevailing SC Guidelines and Standards of Qualifying CIS.

The Fund will focus its investment in the Asia Pacific ex Japan region, i.e. companies that are domiciled in, listed in, and/or have operations or businesses that focus in the Asia Pacific ex Japan region, where the regulatory authority is an ordinary or associate member of the IOSCO. If the investment is a listed security, the investment must be traded in an exchange that is a member of WFE. Where necessary, we or the Sub-Manager will obtain the licenses/permits for investments in countries that require such licenses/permits. In the event that we are unable to obtain the necessary approvals, licenses or permits, or the approval, licenses or permits are revoked or not renewed (as the case may be), we or the Sub-Manager will seek to invest in other accessible markets.

The asset allocation strategy for this Fund is as follows:

- Up to 100% of the Fund's NAV will be invested in equities, debt securities or money market instruments and Deposits with financial institutions. The Fund may also invest in unrated fixed income securities, but subject to a maximum of 10% of its NAV.

We have appointed Principal Singapore as the Sub-Manager of the Fund. Principal Singapore will be responsible for investing and managing the equities portion, debt portion and asset allocation of the Fund in accordance with the investment objective and within the investment restrictions. For debt portion, we will work with the Sub-Manager in the overall due diligence and debt selection process. For further details on the Sub-Manager, please refer to page 22.

The asset allocation will be reviewed periodically depending on the country's economic and stock market outlook. The Sub-Manager will adopt an active trading strategy with frequency that will depend on the market conditions and the market outlook. The Sub-Manager will be especially selective in the buying and selling of securities for the Fund. For the equities portion, The Sub-Manager 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 Asia Pacific ex Japan region and other global economies. In particular, the Sub-Manager analyzes the direction of GDP growth, interest rates, inflation, currencies and government policies. The Sub-Manager 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 debt securities portion, we or the Sub-Manager formulate an interest rate outlook by considering factors such as the inflation rate, monetary policies and economic growth. With an interest rate outlook and yield curve analysis, we or the Sub-Manager identify the weighting of the investment tenure and credit for the Fund. Generally, we or the Sub-Manager will manage risks associated with debt securities portfolio according to three (3) parameters: tenure, credit ratings and sector. The duration of the debt securities portfolio is also monitored and modified according to our interest rate outlook (i.e. the sensitivity of the portfolio to interest rate changes). In the unlikely event of a credit rating downgrade of the debt securities or its issuers, we or the Sub-Manager reserve the right to deal with the security in the best interest of the Unit holders. As an active fund manager, we or the Sub-Manager 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.

In times of adversity in equity markets and as part of its risk management strategy, we or the Sub-Manager may from time to time reduce its proportion of equities and increase its asset allocation to liquid assets such as money market instruments and/or Deposits to safeguard the investment portfolio of the Fund. When deemed necessary, we or the Sub-Manager may also utilize derivative instruments, subject to the SC Guidelines and Standards of Qualifying CIS, for purpose of hedging. In the event of a downgrade of a counter-party of an OTC derivative below the minimum long-term rating as per the SC Guidelines, we reserve the right to deal with the OTC derivative in the best interest of the Unit holders.

Further, risk management, with an emphasis on portfolio diversification, will form an integral part of the investment process. The Fund is constructed and managed within guidelines including risk returns trade-off, which will be monitored and reviewed regularly by the investment management team. The risk management strategies and techniques employed include diversification of the Fund's asset allocation in terms of its exposure to various sectors, industries and companies.

If the Fund is eligible to be invested via the EPF-MIS, investments made by the Fund 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.principal.com.my> or <http://www.kwsp.gov.my> for updated information.

## **1.2. PERMITTED INVESTMENTS**

Subject to the Deed, the investment policy for the Fund and the requirements of the SC and any other regulatory body, we have the absolute discretion as to how the assets of the Fund are to be invested. The following types of investments permitted for the Fund, which are in line with the Fund's objective, include but are not limited to:

- Equities and debt securities dealt in an Organised Market and traded in or under the rules of an Eligible Market;

- Unlisted equities including equities 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;
- Warrants that carry the right in respect of a security traded in or under the rules of an Eligible Market;
- Deposits and money market instruments;
- All types of CIS which comply to the requirements of the SC Guidelines and the Standards of Qualifying CIS;
- Securities listed or traded on foreign markets where the regulatory authority is an ordinary or associate member of the IOSCO and the listed securities must be traded in an exchange that is a member of WFE;
- Derivative instruments, including but not limited to options, futures contracts, forward contracts and swaps; 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 objective.

The formulation of the investment policies and strategies of the Fund is based on the objective of the Fund after taking into consideration the regulatory requirements outlined in the SC Guidelines and the Standards of Qualifying CIS, with such exemptions or variations (if any) as permitted by the SC.

### 1.3. INVESTMENT RESTRICTIONS AND LIMITS

The Fund is subject to the following investment restrictions and limits that are structured in accordance with the regulatory requirements outlined in the SC Guidelines and the Standards of Qualifying CIS:

- 1) Transferable Securities and money market instruments held by the Fund must be dealt in an Organised Market as defined under the Standards of Qualifying CIS and traded in or under the rules of an Eligible Market as defined under the SC Guidelines;
- 2) The aggregate value of the Fund's investment in Transferable Securities or money market instruments issued by a single issuer must not exceed 10% of the Fund's NAV;
- 3) The value of the Fund's placement in Deposits with any single investment grade financial institution must not exceed 20% of the Fund's NAV;
- 4) In the case where the Fund invested in the following assets, the limit in clause 2 and clause 3 above is lowered to 5%:
  - (a) Deposits placed with unrated or non-investment grade financial institution;
  - (b) debt securities or money market instruments not dealt in an Organised Market as defined under the Standards of Qualifying CIS or issued by an unrated or non-investment grade issuing body; and
  - (c) unlisted equities.

Notwithstanding clause 4(b), we may rely on the rating of an unrated or non-investment grade issuer's parent company or guarantor provided that an explicit guarantee by the parent company or the guarantor for the issuer is in place.
- 5) The aggregate value of the Fund's investment in Transferable Securities, money market instruments, Deposit and OTC derivatives issued by or placed with (as the case may be) any single business group, must not exceed 20% of the Fund's NAV. For the purpose of this clause, a business group refers to a body, its subsidiaries, fellow subsidiaries, holding body, and ultimate holding body;
- 6) The Fund may invest up to 15% of the Fund's NAV in aggregate in debt securities or money market instruments issued by a single body if the issuing body or the guarantor of the debt securities or money market instruments is a government or sovereign or central bank with an BBB rating by an international rating agency as prescribed under the Standard of Qualifying CIS or its equivalent by other international rating agencies. However, if the issuing body or the guarantor of the debt securities or money market instruments is the Malaysian government or Bank Negara Malaysia, the Fund may invest up to 35% of the Fund's NAV in aggregate in debt securities or money market instruments;
- 7) The value of a Fund's investments in unlisted equities must not exceed 10% of the Fund's NAV;
- 8) The aggregate value of the Fund's investment in Deposits placed with unrated or non-investment grade financial institution, debt securities or money market instruments not dealt in an Organised Market as defined under the Standards of Qualifying CIS or issued by an unrated or non-investment grade issuing body, unlisted equities and OTC derivatives with non-investment grade or unrated counterparty must not exceed 15% of the Fund's NAV. For the purpose of this clause, the limit does not apply to Deposits, debt securities or money market instruments or OTC derivatives where the:
  - (a) financial institution, issuing body or counterparty is rated investment grade only with a national rating scale; and
  - (b) the jurisdiction in which the issuing body or counterparty is domiciled has a sovereign credit rating that is at least investment grade;
- 9) The value of the Fund's investment in units of each Qualifying CIS or non-Qualifying CIS authorised in Signatory Countries for public offers must not exceed 10% of the Fund's NAV;
- 10) The value of the Fund's investment in units of all non-Qualifying CIS (excluding investment in units of non-Qualifying CIS that are listed for quotation and traded on an organised exchange in a Signatory country with underlying assets of real estate and/or real estate-related) must not exceed 20% of the Fund's NAV;
- 11) The Fund's investments in CIS must not exceed 25% of the units in any one CIS. Where the Fund invests in units in other CIS operated by us or our related corporation, the Manager must ensure that-
  - (a) there is no cross-holding between the Fund and the target fund;
  - (b) all initial charges on the target fund is waived; and
  - (c) the management fee must only be charged once, either at the Fund or the target fund;
- 12) The aggregate value of the Fund's borrowing for the purpose of meeting repurchase request for units and for short-term bridging requirements should not exceed 10% of the Fund's NAV at the time the borrowing is incurred. Credit balances of the Fund (e.g. cash holdings) may not be offset against borrowings when determining the percentage of borrowings outstanding. For the purpose of this clause, we should ensure that-
  - (a) the Fund's cash borrowing is only on a temporary basis and that borrowings are not persistent;
  - (b) the borrowing period should not exceed one month; and
  - (c) the Fund may only borrow from financial institutions;

- 13) The Fund's investments in equities or securities equivalent to equities must not exceed 10% of the equities or securities equivalent to equities issued by any single issuer;
- 14) The Fund's investments in debt securities must not exceed 10% of the debt securities issued by any single issuer; and
- 15) The Fund's investments in money market instruments must not exceed 10% of the money market instruments issued by any single issuer.
- 16) For investments in derivatives (including for hedging purpose):
  - (a) the exposure of the underlying assets must not exceed the investment spread limits stipulated in the SC Guidelines;
  - (b) the value of the Fund's OTC derivative transaction with any single counter-party must not exceed 10% of the Fund's NAV;
  - (c) the Fund's exposure from derivatives position should not exceed the Fund's NAV at all times; and
  - (d) the counter-party of an OTC 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:**

Subject to the investment limit (9) and (10), the Fund may invest into non-Qualifying CIS, provided:

- (a) the level of protection for unit holders of the non-Qualifying CIS is at least equivalent to that provided for unit holders in a Qualifying CIS. The non-Qualifying CIS should originate from countries that either:
  - (i) have been assessed by World Bank/ International Monetary Fund at least "broadly implemented" on the principles relevant to CIS; or
  - (ii) does not comply with (a)(i) but the Home Regulator of the Qualifying CIS is satisfied with the relevant reason/explanation on the weak points and how equivalence of protection can still be achieved;
- (b) semi-annual and annual reports are published by the non-Qualifying CIS; and
- (c) the investment policy of the non-Qualifying CIS is such that the:
  - (i) invested assets are similar to the types and categories that a Qualifying CIS may invest in and the non-Qualifying CIS is subject to investment limits that are in line with those applicable to a Qualifying CIS; or
  - (ii) invested assets are real estate and/or real estate-related, provided that the units of the non-Qualifying CIS are listed for quotation and traded on an organised exchange in a Signatory country.

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 investments 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 (within three (3) months from the date of occurrence). In addition, we should inform the SC and the Trustee within three (3) Business Days after we become aware of such occurrence, except where such occurrence are due to appreciation or depreciation of the NAV of the Fund.

## 1.4. APPROVALS AND CONDITIONS

We have obtained an approval from the SC for an exemption to comply with Schedule C: Valuation of other unlisted bonds of the SC Guidelines which allow Principal to obtain the price of non-RM denominated unlisted bonds from ICE for valuation purpose on 12 December 2019, subject to the following conditions:

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

## 1.5. BORROWINGS/ FINANCING

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

## 1.6. SECURITIES LENDING

The Fund is currently not allowed to participate in lending of securities pursuant to the Standards of Qualifying CIS.

## 1.7. RISK FACTORS

### 1.7.1. GENERAL RISKS OF INVESTING IN A UNIT TRUST FUND

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

**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.

**Market 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.

**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.

**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 repayments. In the event units are used as collateral, you may be required to top-up your existing instalment if the price 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.

**1.7.2. SPECIFIC RISKS ASSOCIATED WITH THE INVESTMENT PORTFOLIO OF THE FUND**

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

**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 countries may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund invests in. For example, the deteriorating economic condition of such countries may adversely affect the 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.

**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.

**Currency risk**

There are 2 levels of currency risk associated with the investment of this Fund:

**▪ Currency risk at the Fund level**

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 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.

**▪ Currency risk at the Class level**

You should also be aware that currency risk is applicable to Class(es) which is in a different currency than the base currency of the Fund. The impact of the exchange rate movement between the base currency of the Fund and the currency denomination of the respective Class(es) may result in a depreciation of the value of your holding as expressed in the currency denomination of the respective Class(es).

You should realise that currency risk is considered as one of the major risks due to the volatile nature of the foreign exchange market. When deemed necessary, we may utilize derivative instruments, subject to prevailing SC Guidelines, to hedge currency risk. If the Fund utilizes derivative for hedging against the base currency of the Fund, you should note that as a result of hedging, the Fund will not be able to enjoy the full benefits of currency movement in the event of a favourable movement of currency.

**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 debt securities, 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 interest 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 debt securities, 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 debt securities. When interest rates rise, debt securities prices generally decline and this may lower the market value of the Fund's investment in debt securities. In managing the debt portfolio, we take into account the coupon rate and time to maturity of the debt securities with an aim to mitigate the interest rate risk.

**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 may be 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 and diversification, in addition to our continuous bottom-up and top-down research and analysis.

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

## 2. FEES, CHARGES AND EXPENSES

### 2.1. CHARGES

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

#### 2.1.1. Application Fee

When applying for unit of a Class, you may be charged an Application Fee based on the NAV per unit of the respective Class. Please refer to the Annexure of the respective Class for further information. If you invest via EPF-MIS (where available), 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.

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

	Class ABC (Denominated in MYR)	Class XYZ (Denominated in USD)
Investment amount	MYR 10,000	USD 10,000
NAV per unit	MYR 1.0000	USD 1.0000
Application Fee (NAV per unit)	5.50%	5.50%
Units issued to Unit holder = $\frac{\text{Investment amount}}{\text{NAV per unit}}$	= $\frac{\text{MYR } 10,000.00}{\text{MYR } 1.0000}$ = 10,000 units	= $\frac{\text{USD } 10,000.00}{\text{USD } 1.0000}$ = 10,000 units
Application Fee per Unit = NAV per unit x Application Fee (%)	= MYR 1.0000 x 5.50% = MYR 0.0550	= USD 1.0000 x 5.50% = USD 0.0550
Total Application Fee = Units issued to Unit holder x NAV per unit x Application Fee (%)	= 10,000 units x MYR 0.055 = MYR 550.00	= 10,000 units x USD 0.055 = USD 550.00

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

#### 2.1.2. Withdrawal Fee

Nil.

#### 2.1.3. Switching Fee

Switching is treated as a withdrawal from a Class and an investment into another Class or Principal Malaysia's fund (or its class). As such, you may be charged a Switching Fee equal to the difference (if any) between the Application Fee of the Class and the Application Fee of the other Class or Principal Malaysia's fund (or its class). Switching Fee will not be charged if the Class or Principal Malaysia's fund (or its class) to be switched into has a lower Application Fee. Please refer to the Annexure of the respective Class for further information.

#### 2.1.4. Transfer Fee

You may be charged a Transfer Fee for each transfer. Please refer to the Annexure of the respective Class for further information.

## 2.2. FEES AND EXPENSES

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

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

### 2.2.1. Management Fee

Please note that the Management Fee is charged to the respective Class at the Class level, based on the NAV of the Class. Please refer to the Annexure of the respective Class for further information. The Management Fee shall be accrued daily and paid monthly.

Below is an illustration on how the Management Fee is calculated, assuming Management Fee of 1.80% per annum and MYR 150 million each for both Class ABC and Class XYZ:-

	Class ABC (Denominated in MYR) (MYR)	Class XYZ (Denominated in USD) (MYR)
Management Fee	1.80% per annum	1.80% per annum
NAV of the class	MYR 150 million	MYR 150 million
Management Fee for the day = NAV of the class x Management Fee rate for the class (%)/365 days	= MYR 150 million x 1.80% / 365 = MYR 7,397.26	= MYR 150 million x 1.80% / 365 = MYR 7,397.26

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

### 2.2.2. Trustee Fee

Please note that the Trustee Fee (including local custodian fee but excluding foreign sub-custodian fee and charges) charged to the Fund is based on the NAV of the Fund. The foreign sub-custodian fee and charges is dependent on the country invested and is charged monthly in arrears. The Trustee Fee shall be accrued daily and paid monthly.

The Trustee Fee is up to 0.05% per annum for the Fund.

Below is an illustration on how the Trustee Fee is calculated, assuming the NAV of the Fund is RM 300 million:-

$$\begin{aligned}
 \text{Trustee Fee for the day} &= \text{NAV of the Fund} \times \text{annual Trustee Fee rate for the Fund (\%)} / 365 \text{ days} \\
 &= \text{RM } 300 \text{ million} \times 0.05\% \text{ per annum} / 365 \text{ days} \\
 &= \text{RM } 410.96
 \end{aligned}$$

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

### 2.2.3. Other Expenses

The Deed also provides for payment of other expenses. Other expenses which are directly related and necessary to the operation and administration of the Fund may be charged to the Fund. These would include (but are not limited to) the following:

- expenses incurred in 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 Trustee in investigating and evaluating any proposed investment;
- (where the foreign custodial function is delegated by the Trustee for foreign investment), charges and/or fees paid to the sub-custodian;
- expenses incurred in preparation and audit of the taxation returns and accounts of the Fund, including the printing of, purchasing of stationery and postage for the annual and interim (if any) reports;
- remuneration and out of pocket expenses of the independent members of the investment committee unless the Manager decides to bear the same;
- tax and other duties imposed by the government and other authorities, and bank fees;
- the fees and other expenses properly incurred by the auditor of the Fund and tax agent;
- fees for valuation of any investment of the Fund paid to independent valuers for the benefit of the Fund;
- costs incurred for the modification of the Deed for the benefit of you;
- costs incurred for any meeting of Unit holders other than those convened for the benefit of us or Trustee;

- 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.
- commissions or fees paid to brokers or dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes;
- costs, fees and expenses incurred in engaging any valuer, adviser or contractor for the benefit of the Fund;
- costs, fees and expenses incurred in the termination of the Fund or the removal of the Trustee or the Manager and the appointment of a new trustee or fund manager;
- costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the Trustee or the Manager by the other for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed by the Fund);
- costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority; and
- costs, fees and expenses incurred in connection with the printing and postage for the annual and interim reports, tax certificates, reinvestment statements and other services associated with the administration of the Fund;

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

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

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 Deed 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 Fund, either generally (for all investors) or specifically (for any particular investor, a group of investors or investments made via digital platform) and for any period or periods of time at our absolute discretion.

## **2.3. REBATES AND SOFT COMMISSIONS**

We, the Sub-Manager and the Trustee will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investments of the Fund unless the soft commission received is retained in the form of goods and services such as research and advisory services that assist in the decision making process relating to the Fund's investments. All dealings with brokers are executed on most favourable terms available for the Fund. Any rebates will be directed to the account of the Fund.

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

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

**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 Deed. 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 Fund in a fair manner in accordance with applicable law and guidelines. The valuation bases for the investments permitted by the Fund are as below:

- **Listed 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 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, then the securities should be valued at fair value as determined in good faith by us based on the methods or bases verified by the auditor of the Fund and approved by the Trustee after appropriate technical consultation.

- **Unlisted securities**

The valuation of equities 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 equities. The value will be determined by the financial institution that issued the instrument.

The value of any unlisted RM-denominated debt securities 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 we are of the view that the price quoted by the BPA for a specific debt securities differs from the market price by more than 20 basis points, we may use the market price by reference to the last available quote provided such quote was obtained within the previous thirty (30) days and we 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.

The value of any unlisted non-RM denominated bonds shall be calculated daily using prices quoted by ICE using its proprietary methodology. The bond prices are calculated using prices contributed by financial institutions and other market inputs listed in approximate order of priority, include: benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data (e.g. corporate action announcements and ratings). Where the prices from ICE are not available on any business day, these bonds will be valued by reference to the average indicative yield quoted by three (3) independent and reputable financial institutions.

- **Collective investment schemes**

The value of any investment in CIS which are quoted on an approved exchange shall be calculated daily in the same manner as other listed securities described above. When investing in unlisted CIS, the value shall be determined by reference to the last published repurchase/redemption NAV per unit for that CIS.

- **Money market instruments**

Money market instruments such as negotiable instrument of deposits and commercial papers shall be valued by reference to the quotes provided by independent and reputable pricing source(s), which is deemed fair value. Where the quotes are provided by financial institutions, the valuation of the money market instruments will be based on the average of bid and offer prices quoted by three (3) independent and reputable financial institutions of similar standing at the close of trading. The valuation method is verified by the auditor and approved by the Trustee.

- **Deposits**

The value of Deposits shall be determined each day by reference to the principal value of such permitted investments and the accrued income thereon for the relevant period.

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

### 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. on a Business Day, we will process the transactions using the NAV per unit on the next Business Day.

We will carry out valuation for the Classes for each Business Day on the next Business Day (T+1) by 4:00 p.m. This is to cater for the currency translation of the foreign securities or instruments to the Fund's base currency based on the bid exchange rate

quoted by Bloomberg/Reuters at UK time 4:00 p.m. on the same day (Malaysia time 11:00 p.m. or 12:00 a.m.), or such other time as stipulated in the IMS. The NAV per unit for a Business Day is available on our website at <http://www.principal.com.my> after 5:30 p.m. on the following Business Day (T+1).

**Illustration:**

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

At the end of the Business Day on 16 December 2019, your units will be based on the NAV per unit on 16 December 2019, which will be calculated on 17 December 2019. The NAV per unit will be made known on our website after 5:30 p.m. on 17 December 2019.

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

At the end of the Business Day on 16 December 2019, your units will be based on the NAV per unit on 17 December 2019, which will be calculated on 18 December 2019. The NAV per unit will be made known on our website after 5:30 p.m. on 18 December 2019.

The Fund must be valued at least once every Business Day. The method of determining NAV per unit is calculated as follows:

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

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

The valuation of the Fund is in the base currency i.e. MYR. As such, all the assets and liabilities of each Class will be translated into MYR for valuation purposes. The foreign exchange rate used for this purpose shall be 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), or such other time as stipulated in the IMS. The NAV per unit of each Class will be the NAV of the Fund attributable to each Class divided by the number of units in circulation of that Class, at the same valuation point.

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

**3.2.1. Multi-class Ratio (MCR)**

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

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

	Fund Total (MYR)	Class ABC (Denominated in MYR) (MYR)	Class XYZ (Denominated in USD) (MYR)
NAV of the Fund before income and expenses	185,942,897	12,600,000	173,342,897
% MCR	100%	<sup>(1)</sup> 6.78%	<sup>(1)</sup> 93.22%
Add: Income	30,000	<sup>(2)</sup> 2,034	<sup>(2)</sup> 27,966
Less: Expenses	(10,000)	<sup>(2)</sup> (678)	<sup>(2)</sup> (9,322)
Benefits or costs of hedging (if any)	900	-	900
NAV of the Fund before Management Fee and Trustee fee	185,963,797	12,601,356	173,362,441
Less: Management Fee	(9,170)	(621)	(8,549)
Less: Trustee Fee	(255)	(17)	(238)
NAV of the Fund	185,954,372	12,600,718	173,353,654
Units in circulation	200,000,000 units	30,000,000 units	170,000,000 units

<b>NAV per unit</b>	<b>0.4200</b>	<b>1.0197</b>
Currency exchange rate	N/A	(MYR/USD) 4.4000
NAV per unit	<b>MYR 0.4200</b>	<b>USD 0.2317</b>

	Fund (MYR)	Class ABC (Denominated in MYR) (MYR)	Class XYZ (Denominated in USD) (MYR)
NAV of the Fund before creation of units for the day	185,954,372	12,600,718	173,353,654
<sup>(3)</sup> Creation of units	5,400,000	1,000,000	4,400,000
Closing NAV	191,354,372	13,600,718	177,753,654
Units in Circulation	206,696,878.14 units	32,380,952.38 units	174,315,925.76 units
NAV per unit		<b>0.4200</b>	<b>1.0197</b>
Currency exchange rate		N/A	(MYR/USD) 4.4000
NAV per unit		<b>MYR 0.4200</b>	<b>USD 0.2317</b>

**Note:**

<sup>(1)</sup> MCR computation

	Class ABC (Denominated in MYR) (MYR)	Class XYZ (Denominated in USD) (MYR)
<u>NAV of the Class x 100</u>	<u>12,600,000 x 100</u>	<u>173,342,897 x 100</u>
NAV of the Fund before income and expenses	185,942,897	185,942,897
	= 6.78%	= 93.22%

<sup>(2)</sup>Apportionment based on MCR is as follows:

	(MYR)	Class ABC (Denominated in MYR) (MYR)	Class XYZ (Denominated in USD) (MYR)
Add: Income	30,000	MCR x Income = Income for Class ABC = 6.78% x MYR 30,000 = MYR 2,034	MCR x Income = Income for Class XYZ = 93.22% x MYR 30,000 = MYR 27,966
Less: Expenses	(10,000)	MCR x Expenses = Expenses for Class ABC = 6.78% x MYR 10,000 = MYR 678	MCR x Expenses = Expenses for Class XYZ = 93.22% x MYR 10,000 = MYR 9,322

<sup>(3)</sup>Creation of units

	Class ABC (Denominated in MYR) (MYR)	Class XYZ (Denominated in USD) (MYR)
Creation of units	MYR 1,000,000	USD 1,000,000
NAV per unit	MYR 0.4200	USD 0.2317
Number of units	2,380,952.38 units	4,315,925.76 units
Currency exchange rate	N/A	(MYR/USD) 4.4000
Creation of units	MYR 1,000,000	MYR 4,400,000

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

### 3.2.2. Calculation of investment amount and units entitlement

The calculation below is for illustration only and does not represent the actual percentage or amount that you may incur for each Class. Please refer to the Annexure of the respective Class for the actual percentage or amount of charges.

#### **Illustrations:**

#### **Calculation of number of units received, Application Fee and total amount payable by you**

Assumptions:

NAV per unit of Class ABC denominated in MYR	=	RM1.0000 (truncated to 4 decimal places)
Application Fee charged by IUTA	=	5.50%

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

#### Calculation of number of units that you will receive\*

= Investment amount / NAV per unit of Class ABC  
= RM10,000.00 / RM1.0000  
= 10,000.00 units

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

= NAV per unit of Class ABC x number of units received x Application Fee rate  
= RM1.0000 x 10,000.00 units x 5.50%  
= RM550.00

#### Calculation of total amount that you will have to pay

= Investment amount + Application Fee paid  
= RM10,000.00 + RM550.00  
= RM10,550.00

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

#### **Calculation of investment value:**

Assuming you have 40,000 units Class ABC of the Fund and the NAV per unit of Class ABC for the Business Day (which will be made known on the following Business Day) is RM1.0240 (truncated to 4 decimal places).

#### Calculation of investment value

= Number of units x NAV per unit of Class ABC  
= 40,000 units x RM1.0240  
= RM40,960.00

#### **Calculation of withdrawal value and amount payable to you**

Assuming you request for a 10,000 units withdrawal from your investment. Your withdrawal request is received by us by 4:00 p.m. on a Business Day. The NAV per unit of Class ABC for that Business Day is RM1.0240 (truncated to 4 decimal places).

#### Calculation of amount payable to you

= Number of units withdrawn x NAV per unit of Class ABC  
= 10,000 units x RM1.0240  
= RM10,240.00

### 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 redemption of units; and/or
  - (ii) you, if you have purchased 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 withdrawn units of the Fund at a lower price.

Notwithstanding the above, we shall make the reimbursement as per the IMS, only where an incorrect pricing:

- (i) is equal 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.

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

## 3.4. INVESTING

### 3.4.1. Who can invest?

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

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

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

Further, if we become aware of a US person (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 will issue a notice to that Unit holder requiring him/her to, within thirty (30) days, either withdraw the units or transfer the units to a non-US person 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 applicable bank fees and charges, if any;
- directly from your bank account (or foreign currency bank account, as the case may be) 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 may be made available for certain Class. Please refer to the Annexure of the respective Class for further information. Where available, the RSP allows you to make regular monthly investments, direct from your account held with a bank approved by us or our Distributors. We will process the monthly investments made via the RSP will be processed when we receive your application and/or your monthly contribution. You can also arrange a standing instruction with our Distributors to invest a pre-determined amount in the Class each month. You can cancel your RSP at any time by providing written instructions to 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 Unit holder, whether Muslim or non-Muslim, only the surviving joint Unit holder will be recognized as the rightful owner. His/her units will be dealt with in accordance with the Deed and applicable laws and regulations.

### 3.4.5. Who is distributing this Fund?

The Fund may be distributed via the following channels:

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

You may invest into the Fund via us or any of our Distributors. Please refer to the "Distributors of the Fund" chapter for further information. Please note that we have the discretion in determining the Distributors of the Fund, including its appointment and/or termination from time to time. You may contact our Customer Care Centre at **(03) 7718 3000** or refer to our website at <http://www.principal.com.my> for more information.

**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 as a Unit holder under the Deed and as a result, you may not exercise all the rights ordinarily conferred to a Unit holder (e.g. the right to call for Unit holders' meetings and the right to vote at a Unit holders' meeting).

### **3.5. MINIMUM INVESTMENTS**

The minimum initial and additional investment for each Class may differ and may be determined by us from time to time. Please refer to the Annexure of the respective Class for further information.

#### **3.5.1. Processing an application**

If we receive a complete application 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 application after 4:00 p.m. on a Business Day, we will process it using the NAV per unit for the next Business Day. We will only process complete applications with all the necessary information. The number of units you receive will be rounded down to two (2) decimal places.

### **3.6. MINIMUM WITHDRAWALS**

The minimum withdrawals amount for each Class may differ and may be determined by us from time to time, unless you are withdrawing your entire investment. Please refer to the Annexure of the respective Class for further information. 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. We will transfer the withdrawal proceeds to the bank account number (or foreign currency bank account number, as the case may be) provided by you. Please note that for EPF-MIS (where available), your withdrawal proceeds will be paid to EPF.

#### **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 it using the NAV per unit for the next Business Day (T+1). The amount that you will receive is calculated by the withdrawal value less the Withdrawal Fee, if any. You will be paid in the currency of the Class (e.g. Class MYR will be paid in MYR) within seven (7) Business Days or ten (10) days, whichever is lesser, upon receipt of the complete withdrawal request. You will have to bear the applicable bank fees and charges, if any.

### **3.7. MINIMUM BALANCE**

The minimum balance that must be retained in your account for each Class may differ and may be determined by us from time to time. Please refer to Annexure of the respective Class for further information. If the balance (i.e. number of units) of an investment drops below the minimum balance units, further investment will be required until the balance of the investment is restored to at least the stipulated minimum balance. Otherwise, we may withdraw the entire investment and forward the proceeds to you.

### **3.8. COOLING-OFF PERIOD**

You have six (6) Business Days after your initial investment (i.e. the date the complete application 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 Application Fee (if any) to you in the currency of the respective Class within seven (7) Business Days or ten (10) days, whichever is lesser, from the date we receive the complete documentations. Please note that the cooling-off right is only given to first time investor investing with us or our Distributors. However, Principal Malaysia's staff and person(s) registered to deal in unit trust of Principal Malaysia or any of our Distributors are not entitled to the cooling-off right.

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

### **3.9. SWITCHING**

Switching is available between the Classes of the Fund or between a Class and other Principal Malaysia's funds (or its classes), which should be denominated in the same currency. You may contact our **Customer Care Centre** at **(03) 7718 3000** for more information on the availability of switching. Please also refer to the Annexure of the respective Class for further information.

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. However, we have the discretion to allow or reject any switching into (or out of) the Fund or Class, either generally (for all investors) or specifically (for any particular investor, a group of investors or investments made via any digital platform).

### 3.9.1. Processing a switch

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

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

## 3.10. TRANSFER FACILITY

You may transfer your units to another investor subject to such terms and conditions as may be stipulated in the Deed. However, we may refuse to register any transfer of a unit at our absolute discretion. You may be charged a Transfer Fee for each transfer. Please refer to the Annexure of the respective Class for further information.

## 3.11. TEMPORARY SUSPENSION

We and the Trustee may temporarily suspend the dealing in units of the Class or Fund, subject to the requirements in the SC Guidelines and/or the Deed. Please note that during the suspension period, there will be no NAV per unit available and hence, we will not accept any transactions for the applications, withdrawals, switches and/or transfers of units. If we have earlier accepted your request for withdrawals and switches of units, please note that there may be delay in processing those transactions and you will be notified accordingly. You will also be notified once the suspension is lifted.

## 3.12. DISTRIBUTION PAYMENT

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

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

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

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

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

## 3.13. UNCLAIMED MONEYS

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

However, any income distribution payout to you by cheque, if any, which remain unclaimed for six (6) months will be reinvested into the Class within thirty (30) Business Days after the expiry of the cheque’s validity period based on the prevailing NAV per unit on the day of the reinvestment in circumstances where you still hold units of the Class. As for income distribution payout by bank transfer, if any, it shall be transmitted to your valid and active bank account. If the bank transfer remains unsuccessful and unclaimed for six (6) months, it will be reinvested into the Class within thirty (30) Business Days after the six (6) months period based on the prevailing NAV per unit on the day of the reinvestment in circumstances where you still hold units of the Class. No Application Fee is payable for the reinvestment. In the event that you no longer hold any unit in the Class, the distribution money would be subject to the 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 Deed. 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

31 May.

### 4.2. INFORMATION ON YOUR INVESTMENT

We will send you the following:

- Your Principal Malaysia investor number;
- Confirmation on all your transactions and distributions (if any);
- Confirmation on any changes to your address if you have written to us to make the changes;
- Quarterly statement showing details of your transactions and distributions (if any); 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 can obtain up-to-date fund information and NAV per unit from our monthly fund fact sheets and our website, <http://www.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 3000** between 8:45 am to 5:45 pm (Malaysian time) on Mondays to Thursdays and between 8:45 a.m. and 4:45 p.m. (Malaysian time) on Fridays (except on Selangor public holidays) or you may email us at [service@principal.com.my](mailto:service@principal.com.my).

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

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

### 4.3. DEED

The Fund is governed by a Deed dated 11 July 2016, First Supplemental Deed dated 7 November 2019 and any other supplemental deed (s) as may be issued from time to time.

### 4.4. DOCUMENTS AVAILABLE FOR INSPECTION

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

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

## 4.5. CONSENT

PricewaterhouseCoopers Taxation Services Sdn Bhd, Principal Asset Management (S) Pte. Ltd. and HSBC (Malaysia) Trustee 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 the Prospectus 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 Prospectus.

## 4.6. POTENTIAL CONFLICTS OF INTERESTS AND RELATED PARTY TRANSACTIONS

We (including our directors) will at all time 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 Fund is not disadvantaged. In the unlikely event that we face conflicts in respect of our duties as the Manager to the Fund and to other Principal Malaysia's funds that we manage, we are obliged to act in the best interests of our investors and will seek to resolve any conflicts fairly and in accordance with the Deed.

We shall not act as principal in the sale and purchase of any securities or investments to and from the Fund. We shall not make any investment for the Fund in any securities, properties or assets in which we or 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 Fund.

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

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

**Note:** \*As at LPD, CIMB-Mapletree Management Sdn. Bhd. has passed a special resolution on 9 May 2019 of which CIMB-Mapletree Management Sdn. Bhd. be wound up as a members' voluntary liquidation and a liquidator be appointed.

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

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

### Trustee

As the Trustee for the Fund and service provider for the Fund, there may be related party transactions involving or in connection with the Fund in the following events:

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

The Trustee has in place policies and procedures to deal with any conflict of interest situation. The Trustee will not make improper use of its position as the owner of the 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 the above and any local regulations, the Trustee and/or its related group of companies may deal with each other, the Fund or any Unit holder or enter into any contract or transaction with each other, the Fund or any Unit holder or retain for its own benefit any profits or benefits derived from any such contract or transaction or act in the same or similar capacity in relation to any other scheme.

#### **4.7. INTERESTS IN THE FUND**

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

#### **4.8. EMPLOYEES' SECURITIES DEALINGS**

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

# 5. THE MANAGER

## 5.1. ABOUT PRINCIPAL ASSET MANAGEMENT BERHAD

Principal Malaysia 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 investors, both institutional and retail. Principal Malaysia's responsibilities include managing investment portfolios by providing fund management services to insurance companies, pension funds, unit trust companies, corporations and government institutions in Malaysia. In addition, Principal Malaysia 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, Principal Malaysia has more than 21 years of experience in the unit trust industry. As at LPD, the shareholders of the Principal Malaysia are PIA and CIMB Group.

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.

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

The primary roles, duties and responsibilities of Principal Malaysia as the Manager of the Fund include:

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

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

### 5.1.1. The Board of Directors

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

Effendy bin Shahul Hamid	- Non-independent director	Juan Ignacio Eyzaguirre	- Non-independent director
Pedro Esteban Borda	- Non-independent director	Wong Joon Hian	- Independent director
Munirah binti Khairuddin	- Non-independent director	A.Huzaima bin Dato' Abdul Hamid	- Independent director
Paul Wong Chee Kin	- Non-independent director	Hisham bin Zainal Mokhtar	- Independent director
Thomas Cheong Wee Yee <sup>#</sup>	- Non-independent director		

<sup>#</sup> Alternate director to Pedro Esteban Borda with effect from 8 November 2019.

### 5.1.2. The Investment Committee

We have appointed the Investment Committee for the Fund, pursuant to the requirements under the SC Guidelines. As at LPD, the Investment Committee consists of five (5) 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 Fund is consistent with the objectives of the Fund, the Deed, 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 Fund and the measurement and evaluation of our performance.

### 5.1.3. Designated Person Responsible for Fund Management Function

<b>Name:</b>	Patrick Chang Chian Ping
<b>Designation:</b>	Chief Investment Officer, Malaysia & Chief Investment Officer, Equities, ASEAN Region
<b>Experience:</b>	Patrick Chang joined Principal Malaysia on 22 February 2016 and currently holds the positions of CIO for Malaysia and CIO Equities, ASEAN region effective 1 October 2018. He comes with more than 18 years of experience in asset management and is backed by numerous ASEAN awards from Malaysian pension funds in 2013 and 2015. He was previously the Head of ASEAN equities at BNP Paribas Investment Partners, Malaysia where he oversees ASEAN equities for both Malaysian and offshore clients from 2012. Prior to that, he served as Senior Vice President for Principal Malaysia where he specialized in Malaysia, ASEAN and Asia specialist funds. He also worked as a portfolio manager at Riggs and Co International Private Banking in London specializing in managing global ETF portfolios and holds the Capital Markets Services Representative Licence.
<b>Qualifications:</b>	MSc Finance from City University Business School and BSc Accounting and Financial Analysis from University of Warwick, UK.

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

## 6. THE SUB-MANAGER

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

Principal Singapore was appointed as the Sub-Manager for the Fund. Principal Malaysia shall be responsible for the review, monitoring and oversight of Principal Singapore in the performance of its duties and obligations in respect of the Fund.

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

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

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

#### 6.1.1. Key person responsible for investment management of the Fund:

<b>Name:</b>	Christopher Leow
<b>Designation:</b>	Chief Investment Officer & Chief Executive Officer, Singapore
<b>Experience:</b>	Mr Leow joined Principal Malaysia in December 2003 and was transferred to Principal Singapore in May 2007. He has more than 20 years of experience in the equities and fund management industry. He is the Chief Investment Officer and a director of Principal Singapore, and is responsible for leading the International Investment team based in Singapore. He has been registered with the Authority under the Securities and Futures Act as a Representative of Principal Singapore in fund management since September 2007.
<b>Qualifications:</b>	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 information and/or updated information, please refer to our website at <http://www.principal.com.my>

# 7. THE TRUSTEE

## 7.1. ABOUT HSBC (MALAYSIA) TRUSTEE BERHAD

**HSBC (Malaysia) Trustee Berhad (193701000084 (1281-T))** 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 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 performing these functions, the Trustee has to exercise all due care, diligence and vigilance and is required to act in accordance with the provisions of the Deed, CMSA and the SC Guidelines. Apart from being the legal owner of the Fund's assets, the Trustee is also responsible for ensuring that the Manager performs its duties and obligations in accordance with the provisions of the Deed, CMSA and the SC Guidelines. In respect of monies paid by an investor for the application of units, the Trustee's responsibility arises when the monies are received in the relevant account of the Trustee 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 anti-money laundering and anti-terrorism financing 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, Manager and Unit holders for purposes of performing its duties and obligations in accordance to the Deed, the CMSA, 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 companies, affiliates, delegates, service providers, 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 of the above mentioned purposes) 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.

### 7.1.1. Trustee'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 HSBC Nominees (Tempatan) Sdn Bhd and/or HSBC Bank Malaysia Berhad. 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.

### 7.1.2. Trustee's Disclosure of Material Litigation

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

### 7.1.3. Trustee's Statement of Responsibility

The Trustee has given its willingness to assume the position as Trustee of the Fund and all the obligations in accordance with the Deed, all relevant laws and rules of law. The Trustee shall be entitled to be indemnified out of the Fund against all losses, damages or expenses incurred by the Trustee in performing any of its duties or exercising any of its powers under this Deed in relation to the Fund. 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 Trustee having regard to the provisions of the Deed.

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

## 8. SALIENT TERMS OF DEED

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

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

### 8.1. RIGHTS, LIABILITIES AND LIMITATION OF UNIT HOLDERS

#### 8.1.1. Rights

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

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

Unit holders' rights may be varied by changes to the Deed, the SC Guidelines or judicial decisions or interpretation.

#### 8.1.2. Liabilities

- (i) No Unit holder shall by reason of any provision of the Deed and the relationship created between the Manager, the Trustee and the Unit holders, or in any event whatsoever, be liable for any amount in excess of the purchase price paid for the units as determined in accordance with the Deed at the time the units were purchased and any charges payable in relation thereto.
- (ii) Unit holder shall not be under any obligation to indemnify the Manager and/or the Trustee in the event that the liabilities incurred by the Manager and/or the Trustee in the name of or on behalf of the Fund pursuant to and/or in the performance of the provisions of the Deed exceed the value of the assets of the Fund and any right of indemnity of the Manager and/or the Trustee shall be limited to recourse to the Fund.

#### 8.1.3. Limitations

You cannot:

- (i) interfere with any rights or powers of ours and/or Trustee under the Deed; or
- (ii) exercise a right in respect of an asset of the Fund or claim any interest in any asset of the Fund; or
- (iii) require the asset of the Fund to be transferred to you.

**Note:** For full details of the rights of a registered Unit holder of the Fund, please refer to the Deed.

### 8.2. MAXIMUM FEES AND CHARGES AND EXPENSES PERMITTED BY THE DEED

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

Charges	Description
(1) Application Fee	Up to 7.00% is charged on the NAV per unit.
(2) Withdrawal Fee	Up to 5.00% of the NAV per unit.
(3) Switching Fee	A fee not exceeding 7.00% 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 Deed and payable indirectly by you.

Fees	Description
(1) Management Fee	Up to 3.00% per annum, calculated daily on the NAV of the Class.
(2) Trustee Fee	Up to 0.08% per annum, calculated daily on the NAV of the Fund (including local custodian fees and charges but excluding foreign sub-custodian fees and charges).

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

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

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

### **8.2.1. Expenses permitted by the deed**

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

- (a) commissions or fees paid to brokers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes or difference accounts;
- (b) taxes and other duties charged on the Fund by the government and/or other authorities if any and bank fees;
- (c) costs, fees and expenses properly incurred by the auditor of the Fund and tax agent;
- (d) costs, fees and expenses incurred for the valuation of any investment of the Fund by independent valuers for the benefit of the Fund;
- (e) costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee;
- (f) costs, fees and expenses incurred for any meeting of the Unit holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;
- (g) costs, commissions, fees and expenses of the sale, purchase, insurance and any other dealing of any asset of the Fund;
- (h) costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investment of the Fund;
- (i) costs, fees and expenses incurred in engaging any valuer, adviser or contractor for the benefit of the Fund;
- (j) costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
- (k) costs, fees and expenses incurred in the termination of the Fund or the removal of the Trustee or the Manager and the appointment of a new trustee or management company;
- (l) costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the Trustee or the Manager by the other for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed by the Fund);
- (m) costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority;
- (n) 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 Fund, unless the Manager decides otherwise to bear the same;
- (o) costs, fees and expenses incurred in connection with the printing and postage for the annual and interim reports, tax certificates, reinvestment statements and other services associated with the administration of the Fund;
- (p) (where the custodial function is delegated by the Trustee) charges and fees paid to sub-custodian(s) taking into custody any foreign assets of the Fund;
- (q) costs and expenses incurred in relation to the distribution of income (if any); and
- (r) any tax and/or other indirect or similar tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred under sub-paragraphs (a) to (q) above.

We and the Trustee are required to ensure that any fees or charges payable are reasonable and in accordance with the Deed.

### **8.3. RETIREMENT, REMOVAL OR REPLACEMENT OF THE MANAGER**

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

We may retire upon giving to the Trustee twelve (12) months' notice in writing of its desire to do so, or such shorter period as we and the Trustee 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 Manager of the Fund.

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

- if we have failed or neglected to carry out our duties to the satisfaction of the Trustee and the Trustee considers that it would be in the interests of the Unit holders for it to do so, after the Trustee has given reasonable notice to us 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 relevant authorities and with the approval of the Unit holders by way of a Special Resolution; or
- unless expressly directed otherwise by the relevant authorities, if we are in breach of any of our obligations or duties under the Deed or the relevant laws, or have ceased to be eligible to be the Manager under the relevant laws; or
- if we have gone into liquidation, except for the purpose of reconstruction or amalgamation or some similar purpose, or have had a receiver appointed or have ceased to carry on business.



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

#### **8.4. RETIREMENT, REMOVAL OR REPLACEMENT OF THE TRUSTEE**

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

The Trustee must retire as Trustee of the Fund when required to retire by law. The Trustee may retire by giving twelve (12) months' notice to us of its desire to do so, or such shorter period as we and the Trustee shall agree.

We shall take all reasonable steps to replace the Trustee as soon as practicable after becoming aware that:

- the Trustee has ceased to exist;
- the Trustee has not been validly appointed;
- the Trustee was not eligible to be appointed or to act as trustee under any relevant law;
- the Trustee has failed or refused to act as trustee in accordance with the provisions or covenants of the Deed or any relevant law;
- a receiver has been appointed over the whole or a substantial part of the assets or undertaking of the Trustee and has not ceased to act under that appointment;
- a petition has been presented for the winding up of the Trustee (other than for the purpose of and followed by a reconstruction, unless during or following such reconstruction the Trustee becomes or is declared insolvent); or
- the Trustee is under investigation for conduct that contravenes the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act 1965 or any relevant law.

The Trustee may be replaced by another corporation appointed as trustee of the Fund by a Special Resolution of the Unit holders at a duly convened meeting.

#### **8.5. TERMINATION OF THE FUND**

The Fund or any of the Classes 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 Act; or
- (b) a Special Resolution is passed at a Unit holders' meeting of all the Unit holders of the Fund or the relevant Class to terminate or wind-up the Fund or that Class as the case may be, following the occurrence of events stipulated under Section 301(1) of the Act and the court has confirmed the resolution, as required under Section 301(2) of the Act; or
- (c) a Special Resolution is passed at a Unit holders' meeting of all the Unit holders of the Fund or the relevant Class to terminate or wind-up the Fund or that Class as the case may be; or
- (d) on reaching the Fund's or that Class' Maturity Date (if any); or
- (e) the effective date of an approved transfer scheme, as defined under the Guidelines, has resulted in the Fund, which is the subject of the transfer scheme, being left with no asset/property.

A Class of the Fund may be terminated if a Special Resolution is passed at a Unit holders' meeting of that Class to terminate or wind-up that Class provided always that such termination or winding-up of that Class does not materially prejudice the interest of any other Class in that Fund.

#### **8.6. MEETINGS OF UNIT HOLDERS**

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

Where we or the Trustee 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 giving at least fourteen (14) days written notice of the meeting to Unit holders; and
- (b) specifying in the notice the place and time of the meeting and the terms of the resolutions to be proposed at the meeting.

We shall within twenty-one (21) days of receiving a direction from not less than fifty (50), or one-tenth (1/10), whichever is less, of all the Unit holders of the Fund or of a particular Class, as the case may be, summon a meeting of the Unit holders of the Fund or of that particular Class:

- (a) by sending by post/facsimile at least fourteen (14) days before the date of the proposed meeting a notice of the proposed meeting to all the Unit holders or Unit holders of a particular class of Units, as the case may be;
- (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 another newspaper approved by the relevant authorities; and
- (c) specifying in the notice, the place and time of the meeting and the terms of the resolutions to be proposed at the meeting,

for the purpose of considering the most recent audited financial statements of the Fund, or for the purpose of requiring the retirement or removal of the Manager OR the Trustee, 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 Deed.

The quorum required for a meeting of Unit holders shall be five (5) Unit holders (irrespective of the Class) whether present in person or by proxy, provided that if the Fund or a Class has five (5) or less Unit holders, the quorum required for a meeting of the Unit holders of the Fund or a Class shall be two (2) Unit holders (irrespective of the Class) whether present in person or by proxy; if the meeting has been convened for the purpose of voting on a Special Resolution, the Unit holders present in person or by proxy must hold in aggregate at least twenty five per centum (25%) of the Units in circulation (irrespective of the Class) at the time of the meeting.

Every question arising at any Unit holders' meeting shall be decided in the first instance by a show of hands unless a poll be demanded or, if it be a question which under the Deed requires a Special Resolution a poll shall be taken. Upon a poll, every Unit Holder present in person or by proxy shall have one vote for every Unit held and each vote shall be proportionate to the number or value of Units held. In the case of joint Unit holders of the Fund, only the person whose name appears first in the register of Unit holders may vote. Units held by us or our nominees shall have no voting rights in any Unit holders' meeting of the Fund.

# 9. 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**

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

31 October 2019

Dear Sirs,

## **TAXATION OF THE TRUST OFFERED UNDER THE PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND (FORMERLY KNOWN AS CIMB-PRINCIPAL ASIA PACIFIC DYNAMIC MIXED ASSET FUND) AND UNIT HOLDERS**

This letter has been prepared for inclusion in the Prospectus Issue No. M3 (“hereinafter referred to as “the Prospectus”) in connection with the offer of units in the Principal Asia Pacific Dynamic Mixed Asset Fund (formerly known as CIMB-Principal Asia Pacific Dynamic Mixed Asset Fund (“the Trust”).

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

## **TAXATION OF THE FUND**

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

### **(1) Foreign Investments**

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

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

### **(2) Domestic Investments**

#### **(i) General taxation**

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

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

#### **(ii) Dividend and other exempt income**

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

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

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

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

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

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

- a) Interest paid or credited by any bank or financial institution licensed under the Financial Services Act 2013 or Islamic Financial Services Act 2013;
- b) Interest paid or credited by any development financial institution regulated under the Development Financial Institutions Act 2002;
- c) Bonds, other than convertible loan stocks, paid or credited by any company listed in Bursa Malaysia Securities Berhad ACE Market; or
- d) Interest income paid or credited by Malaysia Building Society Berhad<sup>1</sup>.

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

The interest or discount income exempted from tax at the Trust’s 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) Other Income**

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

#### **(5) 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

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<sup>1</sup> 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.

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.

#### (6) Real Property Gains Tax (“RPGT”)

With effect from 1 January 2019, any gains on disposal of real properties or shares in real property companies<sup>2</sup> would be subject to RPGT at the following rates:-

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

#### (7) Sales and Service Tax (“SST”)

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

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

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

#### TAXATION OF UNIT HOLDERS

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

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

Corporate unit holders, resident<sup>3</sup> and non-resident, will generally be liable to income tax at 24 per cent on distribution of income received from the Trust. The tax credits attributable to the distribution of income can be utilised against the tax liabilities of these unit holders.

<sup>2</sup> 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.

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

Pursuant to the Finance Bill 2019, resident companies with paid up capital in respect of ordinary shares of RM2.5 million and below and having an annual sales of not more than RM50 million will pay tax at 17 per cent for the first RM600,000 of chargeable income with the balance taxed at 24 per cent with effect from year of assessment 2020.

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

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

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

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<sup>4</sup>. Individuals and other non-corporate unit holders who are not resident in Malaysia will be subject to income tax at 28 per cent<sup>5</sup>. The tax credits attributable to the distribution of income can be utilised against the tax liabilities of these unit holders.

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

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

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

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

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

Yours faithfully,

for and on behalf of

**PRICEWATERHOUSECOOPERS TAXATION SERVICES SDN BHD**

Jennifer Chang  
Partner

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

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<sup>4</sup> Pursuant to the Finance Bill 2019, the income tax rates for resident individuals in Malaysia is proposed to be increased to rates ranging from 1 to 30 per cent with effect from year of assessment 2020.

<sup>5</sup> Pursuant to the Finance Bill 2019, the income tax rates for non-resident individuals in Malaysia is proposed to be increased to 30 per cent with effect from year of assessment 2020.

# 10. DISTRIBUTORS OF THE FUND

For Malaysia, currently Class MYR and Class USD of the Fund are available for sale. As at LPD, Class MYR and Class USD are available from the following:

## 10.1. OUR BRANCHES

### Main Branch/ Financial Planning Centre

50, 52 & 54, Jalan SS21/39  
Damansara Utama  
47400 Petaling Jaya  
Selangor Darul Ehsan MALAYSIA  
Tel: (603) 7718 3000

### Northern Branch

No.5, Jalan Todak 4  
Bandar Sunway  
Seberang Jaya  
13700 Perai  
Penang MALAYSIA  
Tel: (604) 370 2155/2156

### Southern Branch

23 & 23A Jalan Harimau Tarum  
Taman Century  
80250 Johor Bahru  
Johor MALAYSIA  
Tel: (607) 334 1748

### Central Branch

46, 2nd Floor, Jalan SS 21/39  
Damansara Utama  
47400 Petaling Jaya  
Selangor MALAYSIA  
Tel: (603) 7712 2888

### Sarawak Branch

5B Lot 414 Section 10  
KTLD Jalan Rubber  
93400 Kuching  
Sarawak MALAYSIA  
Tel: (6082) 259 777

### Sabah Branch

1 Jalan Pasar Baru Kampung Air  
88000 Kota Kinabalu  
Sabah MALAYSIA  
Tel: (6088) 239 951/952

### Ampang Branch

13B 2nd Floor Jalan Mamanda 7/1  
Off Jalan Ampang  
68000 Ampang  
Selangor MALAYSIA  
Tel: (603) 4270 2970

### Sri Petaling Branch

169-2, Jalan Radin Bagus  
Bandar Baru Sri Petaling  
57000 Kuala Lumpur MALAYSIA  
Tel: (603) 9059 2333

### Melaka Branch

21 Jalan Melaka Raya 24  
Taman Melaka Raya  
75000 Melaka MALAYSIA  
Tel: (606) 281 1111

### Ipoh Branch

30A 1st Floor  
Persiaran Greentown 1  
Greentown Business Centre  
30450 Ipoh  
Perak MALAYSIA  
Tel: (605) 243 9001/9002

### Kuantan Branch

No 44 & 44A Jalan Putra Square 6,  
Putra Square,  
25000 Kuantan,  
Pahang MALAYSIA  
Tel: (609) 513 4400

### Kota Bharu Branch

Ground Floor No 298-B  
Jalan Tok Hakim  
15000 Kota Bharu  
Kelantan MALAYSIA  
Tel: (609) 747 1172/1190

## 10.2. PRINCIPAL DISTRIBUTORS

### Nsg Wealth Advisors

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

### Platinum

E5-03 Empire Damansara  
Jalan PJU 8/8  
Damansara Perdana  
47820 Petaling Jaya

### Charisma Legacy

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

### AAAAA Wealth Builders

(formerly known as O-tye Group Consultants)  
Lot C-615 & Lot C-616  
Level 6 Block C Kelana Square  
17 Jalan Ss7/26

Tel: (603) 7843 0506

**Dynamics Wealth Advisors**

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

**Megas**

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

**Amg Synergy Multiresources Sdn Bhd**

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

**Elite Group Consultants**

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

**Success Concepts Life Planners**

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

**Diamond Star Agency Office**

Block E-1-03A & E-2-03A  
Jalan SS6/20A  
Dataran Glomac  
47301 Kelana Jaya  
Selangor  
Tel: (603) 7880 7082

**Aces Advisors**

37-2, Jalan Cecawi 6/33  
PJU 5, Kota Damansara  
47810 Petaling Jaya  
Tel: (603) 6142 2970

**Premier Wealth Advisors**

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

**GVG Solution Agency**

24-1, Jalan Padi Emas 4/1  
Pusat Bandar Tampoi  
Johor Bahru

Kelana Jaya  
47301 Petaling Jaya Selangor  
Tel: 03-7880 6893

**My Financial Freedom Advisors**

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

**Preferred Wealth Advisors**

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

**Otye Xcellence Consultants**

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

**Prestige Wealth Advisors**

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

**Magnificent Champion Agency Office**

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

**Jat Xo Group**

2nd Floor Lot 156  
Jalan Haji Taha  
Kuching 93400 Sarawak  
Tel: (6019) 2713 269

**Monalisa Private Wealth Advisors**

No. 41B, 43B, Jalan Wan Kadir 2  
Taman Tun Dr Ismail  
60000, Kuala Lumpur  
Tel: (603) 7733 5778

**Sa@7**

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

**My IFP Kemaman**

PT 10725, Ground Floor  
Jalan Kubang Kurus  
Taman Cukai Utama Fasa 4



81200 Johor  
Tel: (607) 2326 976

**JAT XO Group Bintulu**

SL No2, Blk49, of Parent Lot2646  
Parkcity Commerce Square  
Jln Kambar, Off Jln Tun Ahmad  
Zaidi, Bintulu 97000 Sarawak  
Tel: (6012) 2172 269

**The One Asia Advisors**

No B-3A-23 Merchant Square  
Jalan Tropicana Selatan 1  
Tropicana Golf & Country Resort  
47410 Petaling Jaya  
Selangor  
Tel: (603) 7887 4408

**Soha Barakah Wealth Consultancy**

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

**Evoque Wealth Advisors**

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

**KPG Management**

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

**Victorious Agency**

98-02 Jalan Pertama 1  
Pusat Perdagangan Danga Utama  
81200 Johor Bahru  
Johor  
Tel: (6011) 1211 840

**KPG Capital Growth Solution**

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

**Nrich Wealth Advisory Group**

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

**SWM Advisors Group**

Block E-13-2 2nd Floor  
Jalan Serai Wangi M/16M  
Alam Avenue 2 Seksyen 15  
40200 Shah Alam

24000 Kemaman  
Terengganu  
Tel: (609) 8589 911

**Tremendous Agency**

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

**Wealth Resources Group Advisors**

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

**GVG Pasir Gudang Solution**

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

**Kyzan Jaguar Agency**

16-01 Jalan Padi Emas 1/5  
UDA Business Centre  
81200 Johor Bahru  
Johor  
Tel: (607) 3009 350

**Premierone Wealth**

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

**Charisma Legacy 1**

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

**Global Amazing Entrepreneur**

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

**Charisma Legacy 3**

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

**Synergy Wealth Entrepreneur**

98-2 Jalan Dwitasik  
Dataran Dwitasik  
Bandar Sri Permaisuri  
Cheras

Selangor

**Charisma Legacy Kota Bharu**

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

**Charisma Legacy 2**

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

**KPG Capital Growth Solution**

No 4 Tingkat 1  
Taman Desa Lunas  
Lunas  
09600 Kedah  
Tel: (6019) 3571 472

**Abraham Hanef Group PLT**

D-25-1 & D-25-2  
Pusat Komercial Arena Bintang  
Jln Zuhail U5/179 Seksyen U5  
Shah Alam  
40150 Selangor  
Tel: (603) 7832 2402

56000 Kuala Lumpur  
Tel: (603) 9226 5344

**NZ Group**

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

**Zenith Premier Wealth Advisors**

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

**KPG Capital Growth Solution**

No 4A (Tingkat Atas) Susuran KPJ 2  
Kompleks Perniagaan Jitra 2  
Jitra  
06000 Kedah  
Tel: (6019) 3571 472

### 10.3. IUTA

**CIMB-Principal Asset Management Berhad (304078-K)**

Principal Distributors  
50, 52 & 54 Jalan SS21/39  
Damansara Utama  
47400 Petaling Jaya  
Selangor Darul Ehsan MALAYSIA  
Tel: (603) 7718 3000

**CIMB Bank Berhad (13491-P)**

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

**Alliance Bank Malaysia Berhad**

Level 5, Menara Multi-Purpose  
Capital Square  
8, Jalan Munshi Abdullah  
50100 Kuala Lumpur  
(03) 2694 8800

**Kenanga Investment Bank Berhad**

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

**IFAST Capital Sdn. Bhd.**

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

**RHB Bank Berhad**

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

**Note:**

We have the discretion in determining the Distributors of the Classes of the Fund, including its appointment and/or termination from time to time. For updated information on the Distributors of the Classes of the Fund, please call our **Customer Care Centre** at **(603) 7718 3000** between 8:45 a.m. and 5:45 p.m. (Malaysian time) on Mondays to Thursdays and between 8:45 a.m. and 4:45 p.m. (Malaysian time) on Fridays (except on Selangor public holidays) or refer to our website at <http://www.principal.com.my>

# **ANNEXURE - CLASS MYR**

This section is only a summary of the salient information about Class MYR. You should read and understand the entire Prospectus before investing and keep the Prospectus for your records. In determining which investment is right for you, we recommend you speak to professional advisers. Principal Asset Management Berhad, member companies of the CIMB Group, the PFG and the Trustee do not guarantee the repayment of capital.

This Fund is a multi-class fund and is allowed to establish new Class(es) from time to time without prior consent from the Unit holders. As this Fund is a Qualifying CIS under the ASEAN CIS Framework, there are Classes of the Fund that may be offered to investors in other countries that participate in the ASEAN CIS Framework.

## CLASS INFORMATION

Class MYR	Page
<b>Currency denomination</b> RM	
<b>Distribution policy</b> Annually, depending on the level of the Fund's income and at our discretion.	16

## FEES & CHARGES

This table describes the charges that you may **directly** incur when you buy or withdraw units of the Class.

Charges	Class MYR	Page
<b>Application Fee</b>	<b>Principal Distributors</b> : Up to 6.50% of the NAV per unit. <b>IUTAs</b> : Up to 5.50% of the NAV per unit.	7
<b>Withdrawal Fee</b>	Nil.	7
<b>Switching Fee</b>	Switching is treated as a withdrawal from the Class and an investment into another Class or Principal Malaysia's fund (or its class). As such, you will be charged a Switching Fee equal to the difference (if any) between the Application Fees of the Class and Application Fees of other Class or Principal Malaysia's fund (or its class) to be switched into. Switching Fee will not be charged if the Class or Principal Malaysia's fund (or its class) to be switched into has a lower Application Fee. You may negotiate to lower the Switching Fee with us or our Distributors. We also have the discretion to waive the Switching Fee.	7
<b>Transfer Fee</b>	A maximum of RM50.00 may be charged for each transfer.	7
<b>Other charges payable directly by you when purchasing or withdrawing the units</b>	Any applicable bank charges and other bank fees incurred as a result of an investment or withdrawal will be borne by you.	

This table describes the fees that you may **indirectly** incur when you invest in the Class.

Fees	Class MYR	Page
<b>Management Fee</b>	Up to 1.80% per annum of the NAV of the Class in Malaysia.	8
<b>Trustee Fee</b>	Up to 0.05% per annum (including local custodian fees and charges but excluding foreign sub-custodian fees and charges) on the NAV of the Fund. The foreign sub-custodian fee is dependent on the country invested and is charged monthly in arrears.	8
<b>Expenses directly related to Fund</b>	Only expenses that are directly related to the Fund can be charged to the Fund. Examples of relevant expenses are audit fee and tax agent's fee.	8
<b>Other fees payable indirectly by you when investing in the Fund</b>	Nil.	

**Note:** Despite the maximum Application Fee disclosed above, you may negotiate with us or our Distributors for lower fee or 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, a group of investors or investments made via any digital platform) without prior notice to you.

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

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

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 Deed. Where necessary, we will notify the Trustee and communicate to you or seek your approval on the amendments to the fees and charges.

## TRANSACTION INFORMATION

	Class MYR	Page
<b>Minimum initial investment*</b>	RM1,000 or such other amount as we may decide from time to time.	15
<b>Minimum additional investment</b>	RM100 or such other amount as we may decide from time to time.	15
<b>Minimum withdrawal</b>	500 units or such other amount as we may decide from time to time.	15
<b>Minimum balance</b>	1,000 units or such other amount as we may decide from time to time.	15
<b>Regular Savings Plan</b>	RSP is available. The RSP allows you to make regular monthly investments of RM100 or more, direct from your account held with a bank approved by Principal Malaysia or Distributors. The minimum initial investment for the RSP is RM1,000 or such other amount as we may decide from time to time.	15
<b>Cooling-off period</b>	Six (6) Business Days from the date the complete application is received and accepted us or our Distributors from the first time investor investing with us or our Distributors. However, Principal Malaysia's staff and person(s) registered to deal in unit trust of Principal Malaysia or any Distributors are not entitled to the cooling-off right.	15
<b>Switching</b>	Switching will be conducted based on the value of your investment in the Class. The minimum amount for a switch is subject to: <ul style="list-style-type: none"> <li>▪ for switching out of the Class: <ul style="list-style-type: none"> <li>○ the minimum withdrawal applicable to the Class;</li> <li>○ the minimum balance required (after the switch) for the Class, unless you are withdrawing from the Class in entirety; and</li> <li>○ the Withdrawal Fee of the Class (if any);</li> </ul> </li> <li>▪ for switching into the Class: <ul style="list-style-type: none"> <li>○ the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Class; and</li> <li>○ the Switching Fee applicable for the proposed switch (if any).</li> </ul> </li> </ul> <p>You may negotiate to lower the amount for your switch with us or our Distributors.</p>	15
<b>Transfer</b>	We may, at our absolute discretion allow or refuse transfer of units subject to such terms and conditions as may be stipulated in the Deed.	16

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

**Note:** You may request for a lower amount or number of units when purchasing units (or additional units) or 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 a lower amount or number of units and without having to assign any reason, either generally (for all investors) or specifically (for any particular investor, a group of investors or investments made via any digital platform) 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, a group of investors or investments made via any digital platform) without prior notice to you. For increase in the number of units for minimum withdrawal and minimum balance, we will require concurrence from the Trustee and you will be notified of such changes before implementation.

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

**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 Deed. Where necessary, we will notify the Trustee and communicate to you on the amendments to the transaction information.**

# **ANNEXURE – CLASS USD**

This section is only a summary of the salient information about Class USD. You should read and understand the entire Prospectus before investing and keep the Prospectus for your records. In determining which investment is right for you, we recommend you speak to professional advisers. Principal Asset Management Berhad, member companies of the PFG, CIMB Group and the Trustee do not guarantee the repayment of capital.

This Fund is a multi-class fund and is allowed to establish new Class(es) from time to time without prior consent from the Unit holders. As this Fund is a Qualifying CIS under the ASEAN CIS Framework, there are Classes of the Fund that may be offered to investors in other countries that participate in the ASEAN CIS Framework.

## CLASS INFORMATION

Class USD		Page
Currency denomination	USD	
Distribution policy	Annually, depending on the level of the Fund's income and at our discretion.	16

## FEES & CHARGES

This table describes the charges that you may **directly** incur when you buy or withdraw units of the Class.

Charges	Class USD	Page
Application Fee	Principal Distributors : Up to 6.50% of the NAV per unit. IUTAs : Up to 5.50% of the NAV per unit.	7
Withdrawal Fee	Nil.	7
Switching Fee	Switching is treated as a withdrawal from the Class and an investment into another Class or Principal Malaysia's fund (or its class). As such, you will be charged a Switching Fee equal to the difference (if any) between the Application Fees of the Class and Application Fees of other Class or Principal Malaysia's fund (or its class) to be switched into. Switching Fee will not be charged if the Class or Principal Malaysia's fund (or its class) to be switched into has a lower Application Fee. You may negotiate to lower the Switching Fee with us or our Distributors. We also have the discretion to waive the Switching Fee.	7
Transfer Fee	A maximum of USD15.00 may be charged for each transfer.	7
Other charges payable directly by you when purchasing or withdrawing the units	Any applicable bank charges and other bank fees incurred as a result of an investment or withdrawal will be borne by the investor.	

This table describes the fees that you may **indirectly** incur when you invest in the Class.

Fees	Class USD	Page
Management Fee	Up to 1.80% per annum of the NAV of the Class in Malaysia.	8
Trustee Fee	Up to 0.05% per annum (including local custodian fees and charges but excluding foreign sub-custodian fees and charges) on the NAV of the Fund. The foreign sub-custodian fee is dependent on the country invested and is charged monthly in arrears.	8
Expenses directly related to Fund	Only expenses that are directly related to the Fund can be charged to the Fund. Examples of relevant expenses are audit fee and tax agent's fee.	8
Other fees payable indirectly by you when investing in the Fund	Nil.	

**Note:** Despite the maximum Application Fee disclosed above, you may negotiate with us or our Distributors for lower fee or 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, a group of investors or investments made via any digital platform) without prior notice to you.

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

All fees and charges payable by you and/or the Fund are subject to any applicable taxes and/or duties as may be imposed by the government or other authorities (if any) from time to time. As a result of changes in any rule, regulation, directive,

notice and/or law issued by the government or relevant authority, there may be additional cost to the fees, expenses, charges and/or taxes payable to and/or by the Fund or you as disclosed or illustrated in the Prospectus.

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 Deed. Where necessary, we will notify the Trustee and communicate to you or seek your approval on the amendments to the fees and charges.

## TRANSACTION INFORMATION

	Class USD	Page
<b>Minimum initial investment</b>	USD1,000 or such other amount as we may decide from time to time.	15
<b>Minimum additional investment</b>	USD100 or such other amount as we may decide from time to time.	15
<b>Minimum withdrawal</b>	500 units or such other amount as we may decide from time to time.	15
<b>Minimum balance</b>	1,000 units or such other amount as we may decide from time to time.	15
<b>Regular Savings Plan</b>	Currently, RSP is not available.	15
<b>Cooling-off period</b>	Six (6) Business Days from the date the complete application is received and accepted by us or Distributors from the first time investor investing with us or our Distributors. However, Principal Malaysia's staff and person(s) registered to deal in unit trust of Principal Malaysia or any Distributors are not entitled to the cooling-off right.	15
<b>Switching</b>	Switching will be conducted based on the value of your investment in the Class. The minimum amount for a switch is subject to: <ul style="list-style-type: none"> <li>▪ for switching out of the Class: <ul style="list-style-type: none"> <li>○ the minimum withdrawal applicable to the Class;</li> <li>○ the minimum balance required (after the switch) for the Class, unless you are withdrawing from the Class in entirety; and</li> <li>○ the Withdrawal Fee of the Class (if any);</li> </ul> </li> <li>▪ for switching into the Class: <ul style="list-style-type: none"> <li>○ the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Class; and</li> <li>○ the Switching Fee applicable for the proposed switch (if any).</li> </ul> </li> </ul> <p>You may negotiate to lower the amount for your switch with us or our Distributors.</p>	15
<b>Transfer</b>	We may, at our absolute discretion allow or refuse transfer of units subject to such terms and conditions as may be stipulated in the Deed.	16

**Note:** You may request for a lower amount or number of units when purchasing units (or additional units) or 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 a lower amount or number of units and without having to assign any reason, either generally (for all investors) or specifically (for any particular investor, a group of investors or investments made via any digital platform) 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, a group of investors or investments made via any digital platform) without prior notice to you. For increase in the number of units for minimum withdrawal and minimum balance, we will require concurrence from the Trustee and you will be notified of such changes before implementation.

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

**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 Deed. Where necessary, we will notify the Trustee and communicate to you on the amendments to the transaction information.**



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