

Date of issuance: 26 February 2024

# Product Highlights Sheet

## Principal Dynamic Growth Fund

### Responsibility Statement

This Product Highlights Sheet has been reviewed by the authorised committee approved by the directors of Principal Malaysia. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements or omissions of other facts which would make any statement in this Product Highlights Sheet false or misleading.

### Statement of Disclaimer

The relevant information and document in relation to the Fund, including a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia under the Lodge and Launch Framework.

The lodgement of the relevant information and document in relation to the Fund, including this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the Fund or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

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

### The Manager

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

**This Product Highlights Sheet supersedes the Product Highlights Sheet dated 31 December 2019.**

**This Product Highlights Sheet only highlights the key features and risks of this unlisted capital market product. You are advised to read this Product Highlights Sheet together with the Information Memorandum dated 31 December 2019 and its supplementary (if any). You are advised to request, read and understand the Information Memorandum before deciding to invest.**

## Brief Information on Principal Dynamic Growth Fund

The Fund is a Wholesale Fund issued by Principal Malaysia, which aims to achieve capital appreciation over the medium to long term. The Fund is established with a multi-class structure and is allowed to establish new Class(es) from time to time without your prior consent.

This is neither a capital protected fund nor a capital guaranteed fund.

### Product Suitability

This Fund is suitable for Sophisticated Investors who:

- have a medium to long term investment horizon;
- are seeking capital appreciation over medium to long term; and/or
- willing to take moderate risks for potentially moderate capital returns over long term.

### Key Product Features

<b>Fund category/Type</b>	Wholesale Fund (Equity) / Growth	
<b>Base currency</b>	USD.	
<b>Benchmark</b>	<p>The performance of this Fund cannot be compared directly with any specific publicly available benchmark. However, the Fund has a target return of ten percent (10%) per annum.</p> <p>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.</p>	
<b>Investment strategy</b>	<p>The Fund will be managed with the aim of achieving a stable and positive investment returns over the medium to long term regardless of market conditions.</p> <p>As this is an equity fund, under general market conditions, the Fund will invest in equities of companies which we believe will exhibit good growth potential* when compared against its peers or the overall market. However, as the Fund adopts a dynamic strategy, the Fund may also be managed defensively by investing all or a substantial portion of its assets in debt instruments, money market instruments and/or deposits, when we believe that the equity markets that the Fund invests in are experiencing excessive volatility, expected prolonged declines, or when there are other adverse conditions, such as political instability. The Fund may also opt to seek investment exposure via collective investment scheme that is in line with the Fund's objective, subject to the requirements of the SC Guidelines.</p> <p>The asset allocation strategy for this Fund is as follows:</p> <ul style="list-style-type: none"> <li>▪ Up to 100% of the Fund's NAV will be invested in equities; and</li> <li>▪ Up to 100% of the Fund's NAV may be invested in debt instruments, money market instruments and/or deposits.</li> </ul> <p>The investment universe of the Fund is unconstrained, but the Fund will generally 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 Asia Pacific ex Japan region.</p> <p>We have appointed Principal Singapore, a company incorporated in Singapore as the Sub-Manager of the Fund. Principal Singapore will be responsible for investing and managing the Fund in accordance with the investment objective and within the investment restrictions.</p> <p><i>* Companies that have a better growth than the gross domestic product (GDP) of the respective country and reasonably priced based on our estimate.</i></p>	
<b>Launch date</b>	<b>Class SGD</b>	22 July 2015.
	<b>Class USD</b>	22 July 2015.
<b>Financial year-end</b>	31 March.	
<b>Distribution policy</b>	<p><b>Class SGD and Class USD:</b></p> <p>The Class is not expected to make any distribution. However, we have the discretion to make any distribution payment subject to the income and performance of the Fund.</p>	
<b>Manager</b>	Principal Asset Management Berhad.	
<b>Sub-Manager</b>	Principal Asset Management (S) Pte. Ltd.	

<b>Trustee</b>	HSBC (Malaysia) Trustee Berhad.
<b>Solicitors</b>	Wei Chien & Partners.

## Key Risks

<b>General risks of investing in a unit trust fund</b>	
<b>Returns not guaranteed</b>	The investment of the fund is subject to market fluctuations and its inherent risk. There is <b>NO GUARANTEE</b> on the investment returns, nor any assurance that the fund's investment objective will be achieved.
<b>Market risk</b>	Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the fund's NAV.
<b>Inflation risk</b>	This is the risk that 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.
<b>Manager risk</b>	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.
<b>Financing risk</b>	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.
<b>Specific risks associated with the investment portfolio of the Fund</b>	
<b>Stock specific risk</b>	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.
<b>Country risk</b>	Investments of the Fund in any countries may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund invests in. For example, the deteriorating economic condition of such countries may adversely affect the value of the investments undertaken by the Fund in those affected countries. This in turn may cause the net asset value of the Fund or price of units to fall.
<b>Liquidity risk</b>	Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the Fund holds assets that are illiquid, or are difficult to dispose of, the value of the Fund will be negatively affected when it has to sell such assets at unfavourable prices.
<b>Currency risk</b>	<p>There are 2 levels of currency risk associated with the investment of this Fund:</p> <p><u>Currency risk at the Fund's portfolio level</u></p> <p>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.</p> <p><u>Currency risk at the Class level</u></p> <p>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 denominated currency of the respective Classes may lead to a depreciation of the value of your holding as expressed in the currency denomination of the respective Class(es).</p> <p>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.</p>

<b>Credit and default risk</b>	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.
<b>Interest rate risk</b>	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.
<b>Risk of investing in emerging markets</b>	In comparison with investments in the developed markets, investment in emerging markets may involve a higher degree of risk due to the greater possibility of political or economic instability and societal tensions. Emerging markets are markets that are, by definition, "in a state of transition" and are therefore exposed to rapid political change and economic declines. The securities in the emerging markets may face a higher risk of price drop while the exchange rates in these emerging markets are generally more volatile than those of developed markets. As such, you should be aware that investments in emerging markets may be subjected to higher price volatility and therefore will tend to have a higher investment risk that will affect the Fund's growth. We attempt to mitigate these risks through active asset allocation management and diversification, in addition to our continuous bottom-up and top-down research and analysis.

*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 Wholesale Fund may be exposed to other risks from time to time. Please consult professional advisers for a better understanding of the risks.*

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

## Fees & Charges

	Class(es) of units	
	Class USD	Class SGD
<b>Application Fee</b>	Up to 2.00% of the NAV per Unit.	
<b>Withdrawal Fee</b>	Nil.	
<b>Switching Fee</b>	Not applicable, as switching facility is currently not available.	
<b>Transfer Fee</b>	Not applicable, as transfer facility is currently not available.	
<b>Management Fee</b>	Up to 1.50% per annum of the NAV of the Class.	
<b>Trustee Fee</b>	Up to 0.05% per annum of the NAV of the Class (including local custodian fees and charges but excluding foreign sub-custodian fees and charges).	
<b>Other charges payable directly by the investor 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 the investor.	
<b>Expenses directly related to the 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.	

**Note:** 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 in this Product Highlights Sheet.

Despite the maximum Application Fee disclosed above, you may negotiate with us or Distributors for lower fee or charges. However, you should note that we or Distributors may, for any reason at any time, where applicable, accept or reject your request and without having to assign any reason, either generally (for all Sophisticated Investors) or specifically (for any particular Sophisticated Investor, a group of Sophisticated 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 to us in respect of the Fund, either generally (for all Sophisticated Investors) or specifically (for any particular Sophisticated Investor, a group of Sophisticated Investors or investments made via any digital platform) and for any period or periods of time at our absolute discretion.

## Transaction Information

	Class(es) of units	
	Class USD	Class SGD
<b>Minimum initial investment</b>	USD 25,000.00	SGD 25,000.00
	or such other amount as we may from time to time decide.	
<b>Minimum additional investment</b>	USD 10,000.00	SGD 10,000.00
	or such other amount as we may from time to time decide.	
<b>Minimum withdrawal</b>	USD 10,000.00	SGD 10,000.00
	or such other amount as we may from time to time decide.	
<b>Minimum balance</b>	25,000 units or such other number of units as we may from time to time decide.	
<b>Switching</b>	Not applicable, as switching facility is currently not available.	
<b>Transfer</b>	Not applicable, as transfer facility is currently not available.	
<b>Cooling-off period</b>	You have six (6) Business Days after your initial investment (i.e. from the date the complete application is received and accepted by us or any of our Distributors) to reconsider the appropriateness and suitability for your investment needs. Within this period, you may withdraw your investment at the same NAV per Unit when the units were purchased or prevailing NAV per Unit at the point of cooling-off (whichever is lower) ("Refund Amount"). We will pay the Refund Amount including the Application Fee (if any) to you in the currency of the respective Class within seven (7) Business Days from the date we receive the complete documentations. Please note that the cooling-off right is only given to first time investor investing with us or our Distributors. However, corporations or institutions, Principal Malaysia's staff and person(s) registered with a body approved by the SC to deal in unit trust funds are not entitled to the cooling-off right.	

### 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 the amount or number of units and without having to assign any reason, either generally (for all Sophisticated Investors) or specifically (for any particular Sophisticated Investor, a group of Sophisticated 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 Sophisticated Investors) or specifically (for any particular Sophisticated Investor, a group of Sophisticated 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.

**YOU SHOULD NOT MAKE ANY PAYMENT DIRECTLY OR INDIRECTLY TO ANY INDIVIDUAL AGENT/EMPLOYEE OF THE MANAGER OR ISSUE A CHEQUE IN THE NAME OF AN INDIVIDUAL AGENT/EMPLOYEE OF THE MANAGER WHEN PURCHASING THIS FUND.**

## Valuations

We will carry out the valuation of the Classes for each Business Day on the next Business Day (T+1) at 4:00 p.m. This is to cater for the currency translation of the foreign securities or instruments to the Fund's base currency. The NAV per Unit for a Business Day is available on our website at [www.principal.com.my](http://www.principal.com.my) after 5:30 p.m. on the following Business Day (T+1). Please refer to the "Unit Pricing" section of the Information Memorandum for more details.

## Avenues to Exit This Investment

To exit from this investment, you may withdraw, switch out of the Fund or transfer your unit holdings to other Sophisticated Investors.

Withdrawal can be made from the Fund 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. The amount will be paid to you in the currency of the Class (e.g. Class USD Unit holders will be paid in USD) within seven (7) Business Days upon our receipt of the complete withdrawal request. You will have to bear the applicable bank fees and charges, if any.

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

## Contact for Further Information / Complaint

- (i) You may contact our Customer Care Centre at (03) 7723 7260 or whatsapp at +6016 299 9792 for further information or for any dispute resolution. Our Customer Care Centre is available during business hour between 8:45 a.m. and 5:45 p.m. (Malaysian time) from Mondays to Fridays or you can e-mail us at [myservice@principal.com](mailto:myservice@principal.com).
- (ii) If you are dissatisfied with the outcome of the dispute resolution process with us, please refer your dispute to the Securities Industry Dispute Resolution Center (SIDREC):
- via phone to : 03-2282 2280
  - via fax to : 03-2282 3855
  - via e-mail to : [info@sidrec.com.my](mailto:info@sidrec.com.my)
  - via letter to : Securities Industry Dispute Resolution Center (SIDREC)  
Unit A-9-1, Level 9, Tower A, Menara UOA Bangsar  
No. 5, Jalan Bangsar Utama 1, 59000 Kuala Lumpur
- (iii) You can also direct your complaint to the SC even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC’s Consumer & Investor Office:
- via phone to the Aduan Hotline at : 03-6204 8999
  - via fax to : 03-6204 8991
  - via e-mail to : [aduan@seccom.com.my](mailto:aduan@seccom.com.my)
  - via online complaint form available at [www.sc.com.my](http://www.sc.com.my)
  - via letter to : Consumer & Investor Office  
Securities Commission Malaysia  
No 3, Persiaran Bukit Kiara, Bukit Kiara, 50490 Kuala Lumpur
- (iv) Federation of Investment Managers Malaysia’s Complaints Bureau:
- via phone to : 03-7890 4242
  - via e-mail to : [complaints@fimm.com.my](mailto:complaints@fimm.com.my)
  - via online complaint form available at : [www.fimm.com.my](http://www.fimm.com.my)
  - via letter to : Legal, Secretarial & Regulatory Affairs  
Federation of Investment Managers Malaysia  
19-06-1, 6<sup>th</sup> Floor, Wisma Tune  
No. 19, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur

## Appendix: Glossary

Application Fee	- Preliminary charge on each investment.
Business Day	- Mondays to Fridays when Bursa Malaysia Securities Berhad is open for trading, and/or 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">www.principal.com.my</a> .
Class(es)	- Any Class of units representing similar interests in the assets of the Fund.
Class SGD	- The Class of units issued by the Fund denominated in SGD.
Class USD	- The Class of units issued by the Fund denominated in USD.
CMSA	- Capital Markets and Services Act 2007.
Deed	- The principal and any supplemental deed in respect of the Fund made between us and the Trustee, in which Unit holders agree to be bound by the provisions of the Deed.
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.
Fund	- Principal Dynamic Growth Fund.

Information Memorandum	- Refers to the information memorandum dated 31 December 2019 and first supplemental information memorandum dated 26 February 2024 in respect of the Fund issued by us describing the details of the Fund.
IUTAs	- Institutional Unit Trust Scheme Advisers.
Management Fee	- A percentage of the NAV of the Fund 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.
MYR	- Malaysian Ringgit.
NAV per Unit	- The NAV of the Fund divided by the number of units in circulation, at the valuation point.
Net Asset Value or NAV	- 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.
Principal Distributors	- Refers to the authorised unit trust scheme consultants registered with Principal Malaysia.
Principal Malaysia or the Manager	- Principal Asset Management Berhad.
SGD	- Singapore Dollar.
SC	- Securities Commission Malaysia.
SC Guidelines	- SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.
Sophisticated Investor	- Refers to investors as we determine as qualified or eligible to invest in the Fund and that fulfil any laws, rules, regulations, restrictions or requirements imposed by the respective country's regulators where the Fund is open for sale. For investors in Malaysia, this refers to any person who: <ul style="list-style-type: none"> <li>(i) is determined to be a sophisticated investor under the SC's Guidelines on Categories of Sophisticated Investors, as amended from time to time; or</li> <li>(ii) acquires any capital market products where the consideration is not less than MYR250,000 or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise,</li> </ul> and/or any other category(ies) of investors as may be permitted by the SC from time to time. <i>Note: For more information, please refer to our website at <a href="http://www.principal.com.my">www.principal.com.my</a> for the current and/or updated definition and categories of "Sophisticated Investor".</i>
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 fund or class to another.
Transfer Fee	- A nominal fee levied for each transfer of units from one Unit holder to another.
Trustee	- HSBC (Malaysia) Trustee Berhad.
Trustee Fee	- A fee that is paid to the Trustee for its services rendered as trustee for the Fund.
Unit holder	- The registered holder for the time being of a unit of any Class including persons jointly so registered.
USD	- United States Dollar.
Wholesale Fund	- A unit trust scheme established in Malaysia where the units are to be issued, offered for subscription or purchase, or for which invitations to subscribe for or purchase the units are to be made, exclusively to Sophisticated Investor.
Withdrawal Fee	- A charge levied upon redemption under certain terms and conditions (if applicable).

**Notes:** Unless the context otherwise requires:

- words importing the singular number should include the plural number and vice versa;
- reference to any rules, regulations, guidelines, standards, directives, notices, legislations or statutes in this Product Highlights Sheet 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;
- time, day or date disclosed in this Product Highlights Sheet shall be a reference to that time, day or date in Malaysia; and
- reference to "days" in this Product Highlights Sheet will be taken to mean calendar days.

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