

## Information Memorandum

4 December 2019

# Principal Global Multi Asset Income Fund

*(formerly known as CIMB-Principal Global Multi Asset Income 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 INFORMATION MEMORANDUM. THIS INFORMATION MEMORANDUM IS ISSUED TO REPLACE AND/OR SUPERSEDE THE INFORMATION MEMORANDUM OF THE CIMB-PRINCIPAL GLOBAL MULTI ASSET INCOME FUND DATED 20 MARCH 2014, THE FIRST SUPPLEMENTAL INFORMATION MEMORANDUM DATED 19 MARCH 2015 AND THE SECOND SUPPLEMENTAL INFORMATION MEMORANDUM DATED 27 FEBRUARY 2018.

This Information Memorandum Issue No.2 for the Principal Global Multi Asset Income Fund is dated 4 December 2019.

The Fund was constituted on 18 March 2014.

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

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.

# ABOUT THIS DOCUMENT

This is an Information Memorandum which introduces you to Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (“Principal Malaysia”) and the Principal Global Multi Asset Income Fund (“Fund”), which is a wholesale fund. This Information Memorandum outlines in general the information you need to know about the Fund and is intended for the exclusive use of the prospective Sophisticated Investors (as defined herein) who should ensure that all information contained herein remains confidential. The Fund is established with a multi-class structure and has more than one (1) class.

This Information Memorandum is strictly private and confidential and solely for your own use. It is not to be circulated to any third party. No offer or invitation to purchase the units of the Fund, the subject of this Information Memorandum, may be made to anyone who is not a Sophisticated Investor.

If you have any questions about the Fund, please contact our Customer Care Centre at (03) 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 Information Memorandum to any rules, regulations, guidelines, standards, directives, notices, legislation or statutes shall be reference to those rules, regulations, guidelines, standards, directives, notices, legislation, 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 Information Memorandum shall be a reference to that time, day or date in Malaysia, unless otherwise stated. Reference to “days” in this Information Memorandum will be taken to mean calendar days unless otherwise stated.

As the base currency of the Fund is USD, please note that all references to currency amounts and NAV per unit in the Information Memorandum are in USD unless otherwise indicated.

# DEFINITIONS

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

|                        |  |
|------------------------|--|
| ABS                    | - Refers to asset-backed security; a debt security whose yield, credit quality and effective maturity derive from an interest in an underlying pool of debt assets, such as credit card debt, car loans, mortgages, student loans, equipment lease, collateralised repo loans and EETCs (Enhanced Equipment Trust Certificates).   |
| Application Fee        | - Preliminary charge on each investment.   |
| AUD                    | - Australian Dollar.   |
| 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. In respect of the Target Fund, it means a day on which the stock exchange in Luxembourg is open for business.<br><b>Note:</b> We may declare certain Business Days to be a non-Business Day if the jurisdiction of the Target Fund declares a non-business day and/or if the Target Fund's manager declares a non-dealing day. This information will be communicated to you via our website at <a href="http://www.principal.com.my">http://www.principal.com.my</a> . |
| CDS                    | - Refers to credit default swap; a derivative that functions like default insurance, in that it transfers the default risk of a bond to a third party, in exchange for premium payments. If the bond does not default, the seller of the CDS profits from the premiums. If the bond defaults, the seller of the CDS is obliged to pay the buyer some or all of the defaulted amount, which would likely be more than the value of the premiums received.   |
| CIMB Group             | - CIMB Group Sdn. Bhd.   |
| CIS                    | - Means collective investment schemes.   |
| Class                  | - Any Class of units representing similar interests in the assets of the Fund.<br><b>Note:</b> For more information, please see page 1 and Annexure of the respective Class.   |
| Class AUD-Hedged       | - The Class of units issued by the Fund denominated in AUD that aims to minimize the effect of exchange rate fluctuations between the base currency of the Fund (i.e. USD) and AUD.  |
| Class GBP-Hedged       | - The Class of units issued by the Fund denominated in GBP that aims to minimize the effect of exchange rate fluctuations between the base currency of the Fund (i.e. USD) and GBP.  |
| Class MYR-Hedged       | - The Class of units issued by the Fund denominated in MYR that aims to minimize the effect of exchange rate fluctuations between the base currency of the Fund (i.e. USD) and MYR.  |
| Class SGD-Hedged       | - The Class of units issued by the Fund denominated in SGD that aims to minimize the effect of exchange rate fluctuations between the base currency of the Fund (i.e. USD) and SGD.  |
| Class USD              | - The Class of units issued by the Fund denominated in USD.  |
| CMSA                   | - Capital Markets and Services Act 2007.   |
| Company                | - JPMorgan Investment Funds.   |
| Distributor            | - 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.   |
| 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.   |
| Deposit                | - As per the definition of "deposit" in the Financial Services Act 2013 and "Islamic deposit" in the Islamic Financial Services Act 2013.<br><b>Note:</b> To exclude structured deposits.  |
| EUR                    | - Euro.  |
| FIMM                   | - Federation of Investment Managers Malaysia.  |
| Fund or GMAI           | - Principal Global Multi Asset Income Fund (formerly known as CIMB-Principal Global Multi Asset Income Fund).  |
| GBP                    | - Great Britain Pound.   |
| IMS                    | - Investment Management Standards issued by the Federation of Investment Managers Malaysia.  |
| Information Memorandum | - Refers to this Information Memorandum in respect of the Fund and includes any addendum to the Information Memorandum or replacement Information Memorandum, as the case may be.  |
| Investment Manager     | - J. P. Morgan Investment Management Inc., JPMorgan Asset Management UK Limited  |
| IUTAs                  | - Institutional Unit Trust Scheme Advisers.  |
| LPD                    | - Latest Practicable Date, i.e. 30 September 2019, in which all information provided herein, shall remain current and relevant as at such a date.  |

|                                   |  |
|-----------------------------------|--|
| Management Company                | - JPMorgan Asset Management (Europe) S.à r.l.  |
| Management Fee                    | - A percentage of the NAV of the Class that is paid to the Manager for managing the portfolio of the Fund.   |
| MBS                               | - Refers to mortgage-backed security; a debt security whose yield, credit quality and effective maturity derive from an interest in an underlying pool of mortgages. The underlying mortgages may include, but are not limited to, commercial and residential mortgages, and the mortgage-backed securities may be agency (created by quasi US government agencies) and non-agency (created by private institutions).  |
| 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.  |
| NAV per unit                      | - The NAV of the Fund divided by the number of units in circulation, at the valuation point.   |
| OTC                               | - Over-the-counter.  |
| PIA                               | - Principal International (Asia) Ltd.  |
| Principal Distributors            | - Refers to the unit trust scheme consultants of Principal Malaysia (authorised Principal Malaysia distributors).  |
| PFG                               | - Principal Financial Group and its affiliates.  |
| Principal Malaysia or the Manager | - Principal Asset Management Berhad ( <i>formerly known as CIMB-Principal Asset Management Berhad</i> ).   |
| PRC                               | - The People's Republic of China, not including Hong Kong, Macau or Taiwan.  |
| PRC Custodian                     | - China Construction Bank Corporation ("CCB") a company incorporated in China and having its principal place of business at No. 25 Finance Street, Beijing, PR China, 100032.  |
| QFII                              | - An entity that meets the relevant PRC laws and requirements to be a qualified foreign institutional investor.  |
| RQFII                             | - A Renminbi qualified foreign institutional investor where an investment quota is granted to the Investment Manager for the purposes of investing directly in domestic securities of the PRC under the RQFII Regulations.   |
| SAFE                              | - The PRC State Administration of Foreign Exchange.  |
| Sophisticated Investors           | - Refers to investors as we determine as qualified or eligible to invest in the Fund and that fulfil any laws, rules, regulation, 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 falls within any of the categories of investors set out in Part 1, Schedule 6 and 7 of the CMSA.<br><b>Note:</b> For more information, please refer to our website at <a href="http://www.principal.com.my">http://www.principal.com.my</a> for the current excerpts of Part 1, Schedules 6 and 7 of the CMSA. |
| RM or MYR                         | - Malaysian Ringgit.   |
| SC                                | - Securities Commission Malaysia.  |
| SC Guidelines                     | - SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.  |
| Shareholder                       | - Refers to the shareholders of the Target Fund. As such, when the Fund invests in the Target Fund, the Fund is a Shareholder of the Target Fund.  |
| SGD                               | - Singapore Dollar.  |
| Switching Fee                     | - A charge that may be levied when switching is done from one fund to another.   |
| Target Fund                       | - JPMorgan Investment Funds – Global Income Fund.  |
| Transfer Fee                      | - A nominal fee levied for each transfer of units from one Unit holder to another.   |
| Trustee or HSBC T                 | - HSBC (Malaysia) Trustee Berhad.  |
| Trustee Fee                       | - A fee that is paid to the Trustee for its services rendered as trustee for the Fund.   |
| UCITS                             | - An "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the UCITS IV Directive.  |
| UCI                               | - An "undertaking for collective investment" within the meaning of points a) and b) of Article 1(2) of the UCITS IV Directive.   |
| UCITS IV Directive                | Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.  |
| UK                                | - United Kingdom.  |
| Unit holder                       | - The registered holder for the time being of a unit of the Fund including persons jointly so  |

|                |  |
|----------------|--|
|                | registered.  |
| US or USA      | - United States of America.  |
| USD            | - United States Dollar.  |
| 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 withdrawal under certain terms and conditions (if applicable).  |

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

# TABLE OF CONTENTS

|   |           |
|---|-----------|
| DEFINITIONS.....  | i         |
| <b>1. FUND INFORMATION .....</b>  | <b>1</b>  |
| 1.1. PRINCIPAL GLOBAL MULTI ASSET INCOME FUND.....                              | 1         |
| 1.2. PERMITTED INVESTMENTS .....  | 2         |
| 1.3. INVESTMENT RESTRICTIONS AND LIMITS.....                                    | 2         |
| 1.4. APPROVALS AND CONDITIONS.....  | 3         |
| 1.5. BORROWINGS OR FINANCING .....  | 3         |
| 1.6. SECURITIES LENDING.....  | 3         |
| 1.7. RISK FACTORS.....  | 3         |
| <b>2. TARGET FUND INFORMATION .....</b>   | <b>9</b>  |
| 2.1. ABOUT JPMORGAN INVESTMENT FUNDS (“COMPANY”) .....                          | 9         |
| 2.2. ABOUT JPMORGAN INVESTMENT FUNDS – GLOBAL INCOME FUND (“TARGET FUND”) ..... | 10        |
| 2.3. SPECIFIC RISKS OF THE TARGET FUND .....                                    | 11        |
| 2.4. GENERAL INVESTMENT POLICIES OF THE TARGET FUND.....                        | 11        |
| 2.5. DILUTION ADJUSTMENT / SWING PRICING .....                                  | 15        |
| 2.6. SUSPENSIONS AND DEFERRALS .....  | 16        |
| 2.7. TARGET FUND SOFT CLOSURE .....   | 16        |
| 2.8. FEES CHARGED BY THE TARGET FUND (CLASS C (div) – USD HEDGED).....          | 17        |
| <b>3. FEES, CHARGES AND EXPENSES.....</b>                                       | <b>18</b> |
| 3.1. CHARGES.....   | 18        |
| 3.2. FEES AND EXPENSES.....   | 18        |
| 3.3. REBATES AND SOFT COMMISSIONS .....   | 20        |
| <b>4. TRANSACTION INFORMATION.....</b>  | <b>21</b> |
| 4.1. VALUATION OF INVESTMENTS PERMITTED BY THE FUND.....                        | 21        |
| 4.2. UNIT PRICING.....  | 21        |
| 4.3. INCORRECT PRICING .....  | 23        |
| 4.4. INVESTING .....  | 23        |
| 4.5. MINIMUM INVESTMENTS.....   | 24        |
| 4.6. MINIMUM WITHDRAWALS .....  | 24        |
| 4.7. MINIMUM BALANCE.....   | 25        |
| 4.8. COOLING-OFF PERIOD .....   | 25        |
| 4.9. SWITCHING.....   | 25        |
| 4.10. TRANSFER FACILITY .....   | 26        |
| 4.11. TEMPORARY SUSPENSION.....   | 26        |
| 4.12. DISTRIBUTION PAYMENT .....  | 26        |
| 4.13. UNCLAIMED MONEYS.....   | 26        |
| <b>5. ADDITIONAL INFORMATION .....</b>  | <b>27</b> |
| 5.1. FINANCIAL YEAR-END .....   | 27        |
| 5.2. INFORMATION ON YOUR INVESTMENT.....  | 27        |
| 5.3. TERMINATION OF FUND AND/OR ANY OF THE CLASSES.....                         | 27        |
| 5.4. RIGHTS AND LIABILITIES OF A UNIT HOLDER.....                               | 27        |
| 5.5. DOCUMENTS AVAILABLE FOR INSPECTION .....                                   | 28        |
| 5.6. POTENTIAL CONFLICTS OF INTERESTS AND RELATED-PARTY TRANSACTIONS.....       | 28        |
| 5.7. INTERESTS IN THE FUND .....  | 29        |
| 5.8. EMPLOYEES’ SECURITIES DEALINGS .....                                       | 29        |
| <b>6. THE MANAGER.....</b>  | <b>30</b> |
| 6.1. ABOUT PRINCIPAL ASSET MANAGEMENT BERHAD .....                              | 30        |
| <b>7. THE TRUSTEE.....</b>  | <b>31</b> |
| 7.1. ABOUT HSBC (MALAYSIA) TRUSTEE BERHAD .....                                 | 31        |
| <b>ANNEXURE - CLASS MYR.....</b>  | <b>32</b> |
| <b>ANNEXURE - CLASS USD.....</b>  | <b>35</b> |
| <b>ANNEXURE – CLASS AUD-HEDGED .....</b>  | <b>38</b> |
| <b>ANNEXURE – CLASS GBP-HEDGED.....</b>   | <b>41</b> |
| <b>ANNEXURE – CLASS MYR - HEDGED .....</b>                                      | <b>44</b> |
| <b>ANNEXURE – CLASS SGD-HEDGED.....</b>   | <b>47</b> |

# 1. FUND INFORMATION

## 1.1. PRINCIPAL GLOBAL MULTI ASSET INCOME FUND

- Fund Category/Type** : Wholesale Fund (Feeder Fund) / Income and capital growth.
- Investment Objective** : The Fund aims to provide income and potential capital growth to investors through investments in one collective investment scheme, which invests in a diversified portfolio of global assets.  
*We will require your approval if there is any material change to the Fund's investment objective.*
- Benchmark** : The Fund adheres to the benchmark of the Target Fund for performance comparison purpose. The benchmark of the Target Fund may be found in the prospectus of the Target Fund, which is available on <http://www.jpmorganassetmanagement.lu>. Alternatively, kindly refer to the product highlights sheet of the Fund for the current benchmark of the Target Fund.
- Distribution Policy** : 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 26 for information on the distribution payment.

### Base Currency and Classes

The base currency of the Fund is USD.

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, Unit holders should note that the assets of the Fund are pooled for investment purpose.

Currently, the Classes below are available for sale. 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.

### Launch Date, Initial Offer Period & Initial Offer Price Per Unit

| Name of Class    | Launch date      | Initial offer period | Initial offer price per unit |
|------------------|------------------|----------------------|------------------------------|
| Class MYR        | 20 March 2014    | Nil                  | Nil                          |
| Class USD        | 4 December 2019* | 1 day                | USD 1.0000                   |
| Class AUD-Hedged | 4 December 2019* | 1 day                | AUD 1.0000                   |
| Class GBP-Hedged | 4 December 2019* | 1 day                | GBP 1.0000                   |
| Class MYR-Hedged | 4 December 2019* | 1 day                | MYR 1.0000                   |
| Class SGD-Hedged | 4 December 2019* | 1 day                | SGD 1.0000                   |

\* We have the discretion to determine the launch date, which shall be 4 December 2019, or such other date as maybe determined by us.

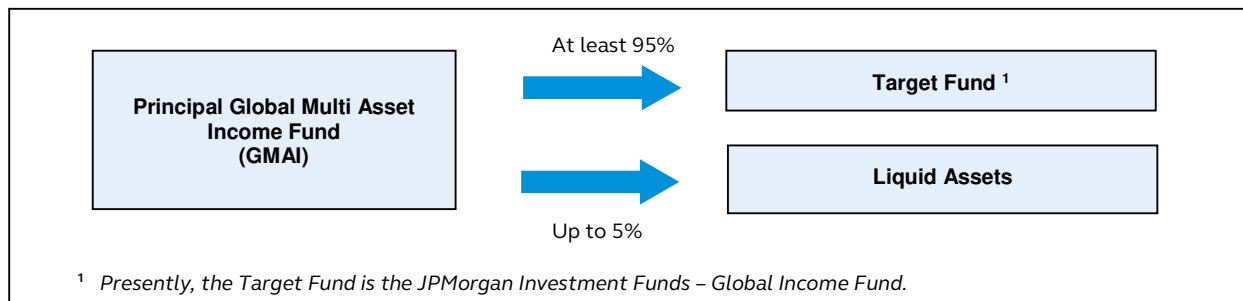
For more details, you may contact our Customer Care Centre or Distributors, or visit our website at <http://www.principal.com.my>.

### Investment Policy and Principal Investment Strategy

In order to achieve its objective, the Fund will invest at least 95% of its NAV in the Target Fund; a portfolio established on 11 December 2008 under JPMorgan Investment Funds. The Fund will invest in Class C (div) – USD (hedged) of the Target Fund, which is a share class denominated in USD with quarterly income distribution and hedged against the Target Fund's base currency of EUR. The Fund will also maintain up to 5% of its NAV in liquid assets.

### Information on the Target Fund

|                      |   |   |
|----------------------|---|---|
| Target Fund          | : | JPMorgan Investment Funds – Global Income Fund                                |
| Class                | : | C (div) – USD (hedged)  |
| Company              | : | JPMorgan Investment Funds   |
| Management Company   | : | JPMorgan Asset Management (Europe) S.à r.l.                                   |
| Investment Manager   | : | J. P. Morgan Investment Management Inc., JPMorgan Asset Management UK Limited |
| Regulatory authority | : | Commission de Surveillance du Secteur Financier                               |



#### Asset Allocation

- At least 95% of the Fund's NAV will be invested in the Target Fund; and
- Up to 5% of the Fund's NAV will be invested in liquid assets for liquidity purposes.

#### Risk management strategy

The Fund is a feeder fund that invests at least 95% of its NAV into the Target Fund. Hence, the risk management strategies and techniques employed will be at the Target Fund level whereby the fund manager of the Target Fund employs a risk management process which combines financial techniques and instruments to manage at any time the risk of various positions and their contribution to the overall risk of the Target Fund's portfolio.

#### Temporary defensive position

We do not intend to adopt a temporary defensive position for the Fund in response to adverse market, economic and/or any other conditions to allow the Fund to mirror the performance of the Target Fund in either bullish or bearish market condition. However, the defensive strategies may be implemented at the Target Fund level subject to the Target Fund Investment Manager's view on markets and strategy. You should note that the Target Fund Investment Manager may or may not choose to adopt the temporary defensive position; this will in turn impact the performance of the Fund.

#### Replacement of Target Fund

If, in our opinion, the Target Fund no longer meets the Fund's investment objective, and/or when acting in the best interests of Unit holders, we may replace the Target Fund with another CIS that is consistent with the objective of this Fund, subject to the approval of the Unit holders.

The Fund may also change its entire investment into another class of the Target Fund (which must be denominated in the same currency) if we are of the opinion that the change is in the interest of the Unit holders. If we wish to effect such change, we will seek concurrence from the Trustee and you will be notified before implementation.

The switch to another CIS may be performed on a staggered basis to facilitate a smooth transition. This is applicable should the Target Fund impose any conditions in relation to redemption of units or if the manager of the newly identified target fund exercises its discretion to apply dilution adjustment in relation to applications for units. Thus, the time frame required to perform the transition will depend on such conditions, if any, imposed by the Target Fund as well as any conditions associated with a dilution adjustment that may be made by the newly identified target fund level. Hence during the transition period, the Fund's investment may differ from the stipulated investment strategies.

## 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:

- One CIS (local or foreign) ;
- Deposits and money market instruments;
- Derivative instruments, including but not limited to options, futures contracts, forward contracts and swaps for hedging purposes; and
- Any other form of investments as may be determined by us from time to time that is in line with the Fund's objective.

## 1.3. INVESTMENT RESTRICTIONS AND LIMITS

The Fund is subject to the following investment restrictions and limits:

**CIS:** The Fund must be invested in one (1) CIS.

**Liquid assets:** The Fund may invest up to 5% of the NAV of the Fund (or such other amount agreed by both the Trustee and us from time to time) in liquid assets. The Fund may, with the concurrence of the Trustee, hold more than 5% of liquid assets on a temporary basis to meet redemption requests and to manage expenses of the Fund.



## 1.4. APPROVALS AND CONDITIONS

There is no exemption and/or variation to the SC Guidelines for the Fund.

## 1.5. BORROWINGS OR FINANCING

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

## 1.6. SECURITIES LENDING

Not applicable for the Fund.

## 1.7. RISK FACTORS

### 1.7.1. GENERAL RISKS OF INVESTING IN A CIS

Before investing, you should consider the following risk factors in addition to the other information set out in this Information Memorandum.

#### 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 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.

#### Loan financing risk

This risk occurs when you take a loan/financing to finance your investment. The inherent risk of investing with borrowed money includes you being unable to service the loan 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 loan.

### 1.7.2. SPECIFIC RISKS RELATED TO THE FUND

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

#### Fund manager's risk

Since the Fund invests into a CIS managed by another manager, the Management Company has absolute discretion over the Target Fund's investment technique and knowledge, operational controls and management. In the event of mismanagement of the Target Fund, the NAV of the Fund, which invests into the Target Fund, would be affected negatively. Although the probability of such occurrence is minute, should the situation arise, we reserve the right to seek for an alternative CIS that is consistent with the objective of this Fund, subject to your approval.

#### Currency risk

You should be aware that currency risk is applicable to Class(es) (e.g. Class MYR) which is in a different currency than the base currency of the Fund (i.e. USD). 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 holdings as expressed in the currency denomination of the Class(es).

As for a hedged Class, the Class itself provides mitigation to the currency risk arising from the difference between the currency denomination of the Class and the base currency of the Fund. While we aim to fully hedge the currency risk for a hedged Class, you should note that it may not entirely eliminate currency risk. In addition, you should note that, as a result of hedging, a hedged Class will not be able to enjoy the full benefits of the currency movement in the event of a favourable movement of the currency denomination of the hedged Class against the base currency of the Fund. You should also note that hedging incurs costs, in which will impact the NAV of a hedged Class.

#### Country Risk

As the Fund invests in the Target Fund which is domiciled in Luxembourg, the Fund's investments in the Target Fund may be affected by risks specific to Luxembourg. Such risks include adverse changes in Luxembourg's economic fundamentals, social and political stability, laws and regulations and foreign investments policies. These factors may be an adverse impact on the prices of the Target Fund's investments, which will depress the Target Fund's NAV growth, and consequently depress the Fund's NAV growth.

### 1.7.3. SPECIFIC RISKS RELATED TO THE TARGET FUND

As the Fund invests predominantly in the Target Fund, the Fund also assumes the risks associated with the Target Fund, which include but not limited to the following:

#### **Investment Risks**

##### *Techniques*

##### **Derivatives risk**

The value of derivatives can be volatile. This is because a small movement in the value of the underlying asset can cause a large movement in the value of the derivative and therefore, investment in such instruments may result in losses in excess of the amount invested by the Target Fund.

The pricing and volatility of many derivatives sometimes diverges from strictly reflecting the pricing or volatility of their underlying reference asset(s). In difficult market conditions, it might be impossible or unfeasible to place orders that would limit or offset the market exposure or financial losses created by certain derivatives.

Changes in tax, accounting, or securities laws could cause the value of a derivative to fall or could force the Target Fund to terminate a derivative position under disadvantageous circumstances.

##### *OTC derivatives*

As OTC derivatives are private agreements between the Company on behalf of the Target Fund and one or more counterparties, they are less regulated than market-traded derivatives. OTC derivatives carry greater counterparty risk and liquidity risk, and it could be more difficult to force a counterparty to meet its obligations to the Company. If a counterparty ceases to offer a derivative that the Target Fund is using or is planning to use, the Target Fund might not be able to find a comparable derivative elsewhere. This in turn could cause the Target Fund to miss an opportunity for gain or find itself unexpectedly exposed to risks or losses, including losses from a derivative position for which it was unable to buy an offsetting derivative.

It may not always be possible for the Company to divide its OTC derivative transactions among a wide variety of counterparties and the inability to trade with any one counterparty could cause significant losses.

Conversely, if the Target Fund experiences any financial weakness or fails to meet an obligation, counterparties might become unwilling to do business with the Company, which could leave the Company unable to operate efficiently and competitively.

##### *Exchange-traded derivatives*

While exchange-traded derivatives are generally considered lower-risk than OTC derivatives, there is still the risk that a suspension of trading in derivatives or in their underlying assets could make it impossible for the Target Fund to realise gains or avoid losses, which in turn could cause a delay in handling redemptions of shares. There is also a risk that settlement of exchange-traded derivatives through a transfer system might not happen when or as expected.

##### *Risks relating to specific derivative instruments*

##### ▪ **Warrants**

The value of warrants are likely to fluctuate more than the prices of the underlying securities. This is due to the effect of leverage within their structure so that a relatively small movement in the price of the underlying security typically results in a larger movement in the price of the warrant.

##### ▪ **Futures and options**

The amount of initial margin relative to the value of a futures contract is small so transactions may be "leveraged" or "geared" in terms of market exposure. A relatively small market movement will therefore have a proportionately larger impact which may work for or against the investor. The selling ("writing" or "granting") of an option by the Company on behalf of the Target Fund generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

##### ▪ **CDS**

The price at which a CDS trades may differ from the price of the CDS's referenced security. In adverse market conditions, the basis (difference between the spread on bonds and the spread of CDS) can be significantly more volatile than the CDS's referenced securities.

##### **Hedging risk**

Any measures that the Target Fund takes that are designed to offset specific risks could work imperfectly, might not be feasible at times, or could fail completely. The Target Fund can use hedging within its portfolio to mitigate currency, duration, market or credit risk, and, with respect to any designated share classes, to hedge either the currency exposure or the effective duration of the share class. Hedging involves costs, which reduce investment performance.

## Securities

### China risk

Investing in the domestic (onshore) market of the People's Republic of China (PRC) is subject to the risks of investing in emerging markets (see Emerging markets risk) and additionally risks that are specific to the PRC market.

Investments in domestic securities of the PRC denominated in CNY are made through the QFII/RQFII license, under which the Investment Manager has been granted an investment quota, or through the China-Hong Kong Stock Connect Programmes which are subject to daily and aggregate quotas.

#### *QFII/RQFII investments risk*

The QFII status could be suspended, reduced or revoked, which may affect the Target Fund's ability to invest in eligible securities or require the Target Fund to dispose of such securities and this could have an adverse effect on the Target Fund's performance. The RQFII status could be suspended, reduced or revoked, which may have an adverse effect on the Target Fund's performance.

QFII/RQFII Regulations impose strict restrictions on investments (including rules on investment restrictions, minimum holding periods and repatriation of capital or profits) that are applicable to the Investment Manager as well as to the investments made by the Target Fund. It is uncertain whether a court would protect the Target Fund's right to securities held for it by a licensed QFII if the QFII came under legal, financial or political pressure.

The Investment Manager has been granted a QFII/RQFII quota by SAFE, but each of the relevant Target Fund may not have exclusive use of the entire quota as the Investment Manager may at its discretion allocate such quota to other funds. As a result Target Fund may be adversely impacted if there is insufficient QFII/RQFII quota to make investments.

The Target Fund may suffer substantial losses if any of the key operators or parties (including the PRC Custodian and broker) is bankrupt or in default and/or is disqualified from performing its obligations (including execution or settlement of any transaction or transfer of monies or securities).

#### *Risk of investing via China-Hong Kong Stock Connect Programmes*

Investments in China A-Shares through the China-Hong Kong Stock Connect Programmes are subject to regulatory change, quota limitations and also operational constraints which may result in increased counterparty risk.

The China-Hong Kong Stock Connect Programmes establish mutual trading links between the markets of mainland China and Hong Kong. These programmes allow foreign investors to trade certain China A-Shares through their Hong Kong based brokers.

To the extent the Target Fund invests in China AShares through the China-Hong Kong Stock Connect Programmes it will be subject to the following additional risks:

- **Regulatory Risk**  
Current rules and regulations may change and have potential retrospective effect which could adversely affect the Target Fund.
- **Legal/Beneficial Ownership**  
China A-Shares purchased through the China-Hong Kong Stock Connect Programmes are held in an omnibus account by the Hong Kong Securities Clearing Company Limited ("HKSCC"). HKSCC, as the nominee holder, does not guarantee the title to securities held through it and is under no obligation to enforce title or other rights associated with ownership on behalf of beneficial owners. The rights of beneficial owners are not clear under PRC law and untested in PRC courts.
- **Quota Limitations**  
The programmes are subject to quota limitations which may restrict the Target Fund's ability to invest in China A-Shares through the programmes on a timely basis.
- **Investor Compensation**  
The Target Fund will not benefit from investor compensation schemes either in mainland China or Hong Kong.
- **Operating Times**  
Trading through China-Hong Kong Stock Connect Programmes can only be undertaken on days when both the PRC and Hong Kong markets are open and when banks in both markets are open on the corresponding settlement days. Accordingly the Target Fund may not be able to buy or sell at the desired time or price.
- **Suspension Risk**  
Each of the stock exchanges involved with the China-Hong Kong Stock Connect Programmes may suspend trading which could adversely affect the Target Fund's ability to access the relevant market.

#### *China Interbank Bond Market risk*

The China Interbank Bond Market is an OTC market, executing the majority of CNY bond trading. Market volatility and potential lack of liquidity due to low trading volumes may cause prices of bonds to fluctuate significantly.

#### *PRC tax provision risk*

The Management Company reserves the right to provide for appropriate Chinese tax on gains of the Target Fund that invests in PRC securities thus impacting the valuation of the Target Fund.

With the uncertainty over whether and how certain gains on PRC securities are to be taxed, coupled with the possibility of the laws, regulations and practice in the PRC changing, and also the possibility of taxes being applied retrospectively, any provision for taxation made by the Management Company may be excessive or inadequate to meet final PRC tax liabilities on gains derived from the disposal of PRC securities. Consequently, investors may be advantaged or disadvantaged depending upon the final outcome of how such gains will be taxed, the level of provision and when they subscribed and/or redeemed their shares in/from the Target Fund.

#### *Investments in CNY*

CNY is currently not a freely convertible currency as it is subject to foreign exchange control policies and repatriation restrictions imposed by the PRC. If such policies change in future, the Target Fund's position may be adversely affected. There is no assurance that CNY will not be subject to devaluation, in which case the value of the investments may be adversely affected. Under exceptional circumstances, payment of redemptions and/or dividends in CNH may be delayed due to foreign exchange controls and repatriation restrictions.

#### **Contingent convertible bonds risk**

Contingent convertible bonds are likely to be adversely impacted should specific trigger events occur (as specified in the contract terms of the issuer). This may result in the bond converting to equity at a discounted share price, the value of the bond being written down, temporarily or permanently, and/or coupon payments ceasing or being deferred.

Contingent convertible bonds can perform poorly even when the issuer and/or its equities are performing well. Contingent convertible bonds are structured such that the occurrence of a trigger event (such as the issuer's capital ratio or share price falling to a particular level for a certain period of time) may render the bond worthless or may trigger a conversion to equity that is likely to be disadvantageous to the bondholder. With contingent convertible bonds, the date and amount of any repayment of principal is uncertain as their termination and redemption require regulatory approval, which may not be granted in certain circumstances.

#### **Convertible securities risk**

Convertible securities have characteristics of both debt and equity securities and carry credit, default, equity, interest rate, liquidity and market risks.

A convertible security acts as a debt security and generally entitles the holder to receive interest paid or accrued until the convertible security matures or is redeemed, converted or exchanged. Before conversion, convertible securities generally have characteristics similar to both debt and equity securities. The value of convertible securities tends to decline as interest rates rise and, because of the conversion feature, tends to vary with fluctuations in the market value of the underlying securities. Convertible securities are usually subordinated to comparable nonconvertible securities. Convertible securities generally do not participate directly in any dividend increases or decreases of the underlying securities, although the market prices of convertible securities may be affected by any dividend changes or other changes in the underlying securities.

#### **Debt securities risk**

All debt securities (bonds) including those issued or guaranteed by governments and their agencies carry credit risk and interest rate risk.

##### ▪ **Government debt**

Government debt securities are subject to market risk, interest rate risk and credit risk. Governments may default on their sovereign debt and holders of sovereign debt (including the Target Fund) may be requested to participate in the rescheduling of such debt and to extend further loans to the governmental entities. There is no bankruptcy proceeding by which sovereign debt on which a government has defaulted may be collected in whole or in part. Global economies are highly dependent on one another and the consequences of the default of any sovereign state may be severe and far reaching and could result in substantial losses to the Target Fund.

##### ▪ **Investment grade debt**

With investment grade debt securities, the likeliest form of credit risk is a credit downgrade, which typically will cause a security's value to fall. It is unlikely, though not unknown, for an investment grade bond to go into default. The downgrading of debt securities may affect the liquidity of investments in bonds. Other market participants may be attempting to sell debt securities at the same time as the Target Fund, causing downward pricing pressure and contributing to illiquidity. The ability and willingness of bond dealers to "make a market" in debt securities may be impacted by both regulatory changes as well as the growth of bond markets. This could potentially lead to decreased liquidity and increased volatility in the debt markets.

Bonds are particularly susceptible to interest rate changes and may experience significant price volatility. If interest rates increase, the value of the Target Fund's investments typically declines. In a historically low interest environment, risks associated with rising interest rates are heightened. On the other hand, if interest rates fall, the value of the investments generally increases. Securities with greater interest rate sensitivity and longer maturities tend to produce higher yields, but are subject to greater fluctuations in value.

##### ▪ **Below investment grade debt**

Below investment grade debt securities are typically more volatile and less liquid than investment grade debt and have significantly greater risk of default. They are typically lower rated and will usually offer higher yields to compensate for the reduced creditworthiness of the issuer.

Credit downgrades are more likely than for investment grade bonds, and can lead to more significant changes in value, for below investment grade bonds. Below investment grade bonds are sometimes less sensitive to interest rate risk, but are

more sensitive to general economic news, as issuers of below investment grade bonds tend to be in weaker financial health and therefore are presumed to be more vulnerable in a deteriorating economy.

▪ **Unrated bonds**

The credit quality of bonds that have not been rated by an independent rating agency will be determined by the Investment Manager at the time of the investment. Investments in unrated bonds are subject to those risks of a rated security of comparable quality.

**Emerging markets risk**

Investments in emerging markets involve higher risks than those of developed markets and can be subject to greater volatility and lower liquidity.

- Emerging market countries may experience political, economic and social instability which can lead to legal, fiscal and regulatory changes affecting returns to investors. These may include policies of expropriation and nationalization, sanctions or other measures by governments and international bodies.
- The legal environment in certain countries is uncertain. Legislation may be imposed retrospectively or may be issued in the form of non-public regulations. Judicial independence and political neutrality cannot be guaranteed and state bodies and judges may not adhere to the requirements of the law.
- Existing legislation may not yet be adequately developed to protect shareholder rights and there may be no concept of fiduciary duty to Shareholders on the part of management.
- High interest rates and inflation rates can mean that businesses have difficulty in obtaining working capital and local management may be inexperienced in operating companies in free market conditions.
- Custody and settlement practices may be less developed and it may be difficult to prove beneficial ownership or to protect ownership rights. Investment may carry risks associated with delayed registration of securities and delayed or failed settlement. There may be no secure method of delivery against payment (meaning payment may have to be made prior to receipt of the security).
- The securities markets in some countries lack the liquidity, efficiency and regulatory or supervisory controls of more developed markets.
- The absence of reliable pricing information may make it difficult to assess reliably the market value of a security.
- Emerging market currencies can be extremely volatile and may become subject to exchange control regulations. It may not always be practical or economical to hedge the exposure of certain currencies.
- Many emerging market economies are heavily dependent on commodities or natural resources and are therefore vulnerable to market demand and world prices for these products.
- Tax laws in certain countries are not clearly established. Taxes may be imposed suddenly and may change with retrospective effect subjecting the Target Fund to additional charges.
- Accounting, auditing and financial reporting standards may be inconsistent or inadequate.

For purposes of risk, the category of emerging markets includes markets that are less developed, such as most countries in Asia, Latin America, Eastern Europe, the Middle East and Africa as well as countries that have successful economies but whose investor protections are questionable, such as Russia, Ukraine and China. Broadly developed markets are those of Western Europe, the US, Canada, Japan, Australia and New Zealand.

**Equities risk**

The value of equities may go down as well as up in response to the performance of individual companies and general market conditions, sometimes rapidly or unpredictably.

If a company goes through bankruptcy or a similar financial restructuring, its shares in issue typically lose most or all of their value.

Equity exposure may also be obtained through equity related securities such as warrants, depositary receipts, convertible securities, index and participation notes and equity-linked notes, which may be subject to greater volatility than the underlying reference asset and are also exposed to the risk of counterparty default.

**MBS / ABS risk**

Mortgage-backed and asset-backed securities (MBS and ABS) depend on the cash flows from a specified pool of financial assets and are subject to greater credit, liquidity and interest rate risk and may be more volatile than other bonds.

MBS / ABS prices and yields typically reflect the assumption that they will be paid off before maturity. When interest rates fall, these securities are often paid off early, as the borrowers of the underlying debt refinance at lower interest rates (prepayment risk). Subsequently the sub-fund may have to reinvest in lower-yielding securities. When interest rates rise, the underlying debt tends to be repaid later than expected, and can therefore increase the duration, and hence the volatility, of these securities. In addition investments in MBS / ABS may be less liquid than other bonds.

To-be-announced (TBA) securities, which are MBS or ABS that are purchased sight unseen 48 hours before they are issued, can fall in value between the time the Target Fund commits to the purchase and the time of delivery.

**REITS risk**

REITs and real estate related investments are subject to the risks associated with the ownership of real estate which may expose the Target Fund to increased liquidity risk, price volatility and losses due to changes in economic conditions and interest rates.

## **Other Associated Risks**

### **Credit risk**

A bond will generally lose value if the issuer's financial health deteriorates or appears likely to. An issuer could go into default (become unwilling or unable to make payments on their bonds), which often will make the bond illiquid or worthless.

### **Currency risk**

Movements or changes in currency exchange rates could adversely affect the value of the Target Fund's securities and the price of the Target Fund's Shares.

Exchange rates can change rapidly and unpredictably for a number of reasons including changes in interest rates or in exchange control regulations.

### **Interest rate risk**

When interest rates rise, bond prices tend to fall. This risk is greater the longer the maturity or duration of the bond. It also can affect investment grade bonds more than below investment grade bonds.

### **Liquidity risk**

Certain securities, especially those that trade infrequently or on comparatively small markets, may be hard to buy or sell at a desired time and price, particularly in respect of larger transaction sizes.

In extreme market situations, there may be few willing buyers and the investments cannot be readily sold at the desired time or price, and the Target Fund may have to accept a lower price to sell the investments or may not be able to sell the investments at all. Trading in particular securities or other instruments may be suspended or restricted by the relevant exchange or by a governmental or supervisory authority and the Target Fund may incur a loss as a result. An inability to sell a portfolio position can adversely affect the Target Fund's value or prevent the Target Fund from being able to take advantage of other investment opportunities.

Liquidity risk also includes the risk that the Target Fund will not be able to pay redemption proceeds within the allowable time period because of unusual market conditions, an unusually high volume of redemption requests, or other uncontrollable factors. To meet redemption requests, the Target Fund may be forced to sell investments at an unfavourable time and/or condition.

Investment in debt securities, small and mid-capitalisation stocks and emerging market issuers will be especially subject to the risk that during certain periods, the liquidity of particular issuers or industries, or all securities within a particular investment category, will shrink or disappear suddenly and without warning as a result of adverse economic, market or political events, or adverse investor perceptions whether or not accurate.

### **Market risk**

Prices of securities change continually and can fall based on a wide variety of factors affecting financial markets generally or individual sectors.

## **Outcomes to the shareholder (Potential impact of the risks above)**

- **Loss**  
Shareholders could lose some or all of their money.
- **Volatility**  
Shares of the Target Fund will fluctuate in value.
- **Failure to meet the Target Fund's objective.**

**Past performance of the Target Fund is not an indication of its future performance.**

**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. If in doubt, please consult your professional advisers for a better understanding of the risks.**

## 2. TARGET FUND INFORMATION

### 2.1. ABOUT JPMORGAN INVESTMENT FUNDS (“COMPANY”)

The Company is incorporated in Luxembourg under the laws of the Grand Duchy of Luxembourg as a sociétés anonyme, qualifying as a société d’investissement à capital variable (“SICAV”).

The Company is an “umbrella fund” under which the Sub-Funds are created and operate. The assets and liabilities of each Sub-Fund are segregated from those of other Sub-Funds; there is no cross-liability between Sub-Funds (referred to as a “share class” in the section). The Company qualifies as an Undertaking for Collective Investment in Transferable Securities (UCITS) under Part 1 of the 2010 Law, complies with all applicable UCITS legislation (including EC Directive 2009/65 as amended and related directives and regulations) and is registered on the official list of collective investment undertakings maintained by the CSSF.

The Board has appointed JPMorgan Asset Management (Europe) S.à r.l. , Société à responsabilité limitée (S.à r.l) with its registered office at European Bank & Business Centre, 6, route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg as management company (“Management Company”) to provide investment management, administrative and marketing functions and as domiciliary agent. In its capacity as domiciliary agent, the Management Company is responsible for the administrative work required by law and the Articles, and for keeping the books and records of the Sub-Funds and the Fund. The Management Company is subject to Chapter 15 of the 2010 Law. The Management Company can delegate to third parties some or all of its activities, subject to applicable laws. For example, so long as it retains control and supervision, the Management Company can appoint one or more Investment Managers to handle the day-to-day management of Sub-Fund assets, or one or more advisors to provide investment information, recommendations and research concerning prospective and existing investment.

The JPMorgan Investment Funds – Global Income Fund (“the Target Fund”) is a Sub-Fund under the Company which was established on 11 December 2008. The Management Company has delegated the investment management of the Target Fund to J. P. Morgan Investment Management Inc. and JPMorgan Asset Management UK Limited. The Investment Managers are responsible for day-to-day management of the Target Fund’s portfolio in accordance with the stated investment objective and policy. The Investment Manager, may, from time to time, sub-delegate part or all of the investment management function to one or more affiliates of JPMorgan Chase & Co.

J.P. Morgan Bank Luxembourg S.A. (“the Depository”) has been appointed as depository to provide depository, custodial, settlement and certain other associated services to the Company.

The foreign jurisdiction from where the Target Fund originates and name of the regulator responsible for regulating the Target Fund and the parties responsible for the Target Fund:

|                                  |   |  |
|----------------------------------|---|--|
| Jurisdiction                     | : | Grand Duchy of Luxembourg  |
| Name of Regulator                | : | Commission de Surveillance du Secteur Financier (“CSSF”)                         |
| Investment Manager               | : | J. P. Morgan Investment Management Inc. and JPMorgan Asset Management UK Limited |
| Custodian and fund administrator | : | J.P. Morgan Bank Luxembourg S.A.   |

This Information Memorandum describes the features of the Target Fund in accordance with the prospectus of the Target Fund (“the Prospectus”) and we recommend this document should be read in conjunction with the Prospectus and the relevant key investor information document. We take reasonable efforts to ensure the accuracy that the disclosure in this Information Memorandum in relation the Target Fund. However, in the event of any inconsistency ambiguity in relation to the disclosure, including any word or phrase used in this Information Memorandum regarding the Target Fund as compared to the Prospectus, the Prospectus shall prevail. This Information Memorandum is not issued by the Management Company, any of its affiliates or the Company. The Information Memorandum do not relate to a direct investment in the Target Fund (and accordingly there is no contractual relationship between the investor and the Management Company, any of its affiliates or the Company).

For this section, the following definitions apply:

|  |   |  |
|--|---|--|
| 2010 Law                                 | : | The Luxembourg law of 17 December 2010 on undertakings for collective investment. Words and expressions that are not defined in the Prospectus but are defined in the 2010 Law have the same meaning as in the 2010 Law.   |
| Board                                    | : | The Board of Directors of the Company.   |
| Company                                  | : | JPMorgan Investment Funds.   |
| CSSF                                     | : | The Commission de Surveillance du Secteur Financier, the Luxembourg financial regulator.   |
| China-Hong Kong Stock Connect Programmes | : | The Shanghai-Hong Kong Stock Connect Programme and any other similarly regulated securities trading and clearing-linked programmes through which investments are made in Chinese domestic securities.  |
| EU Member State                          | : | A member state of the European Union.  |
| G20                                      | : | The “Group of Twenty”, the central forum for international cooperation on financial and economic issues, which comprises: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, UK, USA and the European Union. |

|                     |   |  |
|---------------------|---|--|
| Management Company  | : | The entity with overall responsibility for business management of the Company.   |
| OECD                | : | The Organisation for Economic Co-operation and Development, an intergovernmental economic organisation with 35 member countries.   |
| Regulated Market    | : | A market that meets the requirements stated in item 21 of Article 4 of the European Parliament and the Council Directive 2014/EU of 15 May 2014 on markets in financial instruments (and amending Directive 2002/92/EC and Directive 2011/61/EU) as well as any other market in an Eligible State which is regulated, operates regularly and is recognised and open to the public. |
| Sub-Fund            | : | Any sub-fund of the Company.   |
| Value at Risk (VaR) | : | A statistical estimate, made with a high degree of confidence, of the maximum potential loss that is likely to arise over a given time interval under normal market conditions.  |

## 2.2. ABOUT JPMORGAN INVESTMENT FUNDS – GLOBAL INCOME FUND (“TARGET FUND”)

### Investment objective

To provide regular income by investing primarily in a portfolio of income generating securities, globally, and through the use of derivatives.

### Benchmark of the Global Income Fund Class C – USD Hedged

40% Bloomberg Barclays US High Yield 2% Issuer Cap Index (Total Return Gross) Hedged to USD / 35% MSCI World Index (Total Return Net) Hedged to USD / 25% Bloomberg Barclays Global Credit Index (Total Return Gross) Hedged to USD

### Distribution Policy

**(div)** This share class normally pays a quarterly dividend based on an estimate of the Target Fund’s annual yield before deduction of annual fees. It prioritises dividend payments over capital growth and will typically distribute more than the income earned. The dividend rate is reviewed, and may be adjusted, twice yearly but also at other times as may be appropriate to reflect changes in the portfolio’s expected yield.

### Investment strategies

The Target Fund will seek to achieve the investment objective by invests primarily in debt securities (including MBS/ABS), equities and real estate investment trusts (REITs) from issuers anywhere in the world, including emerging markets. The Target Fund may invest in below investment grade and unrated securities.

The Target Fund may invest in China A-Shares via the China-Hong Kong Connect Programmes, and in convertible securities and currencies. The Target Fund may also invests up to 3% in contingent convertible bonds.

The Target Fund may use derivatives for the following purposes as described below:

- **Investment purposes**  
The Target Fund intends to use derivatives to achieve its investment objective and employ derivatives to facilitate a variety of investment techniques including, but not limited to:
  - as an substitute for investing directly in securities;
  - enhancing returns for the Target Fund;
  - implementing investment strategies that can only be achieved through derivatives, such as a “long-short” strategy;
  - managing duration, yield curve exposure or credit spread volatility;
  - gaining or adjusting exposure to particular markets, sectors or currencies.
- **Hedging**  
Derivatives used for the purpose of hedging seek to reduce risk such as credit, currency, market and interest rate (duration) risk. Hedging can take place at a portfolio level or, in respect of currency or duration hedging, at share class level.
- **Efficient portfolio management (EPM)**  
Efficient portfolio management means the cost-effective use of derivatives, instruments and techniques to reduce risks or costs or to generate additional capital or income. The techniques and instruments will relate to transferable securities or money market instruments, and the risks generated will be consistent with the Target Fund’s risk profile and be adequately captured by the risk management process.

### Asset Allocation

As at LPD, the expected predetermined set of asset allocation and its ranges are as follows:

|                     | % of the Target Fund’s NAV |
|---------------------|----------------------------|
| US High Yield       | 25.8                       |
| Global Equity       | 15.7                       |
| European High Yield | 9.2                        |
| Global REITs        | 6.7                        |



|                             |     |
|-----------------------------|-----|
| Preferred Equity            | 6.5 |
| Non-Agency Securitized      | 6.3 |
| Short Duration Fixed Income | 6.2 |
| European Equity             | 5.3 |
| Agency Securitized          | 4.8 |
| Emerging Markets Equity     | 3.0 |
| Others                      | 5.0 |
| Cash                        | 5.5 |

### 2.3. SPECIFIC RISKS OF THE TARGET FUND

Please refer to page 4 of the Information Memorandum.

### 2.4. GENERAL INVESTMENT POLICIES OF THE TARGET FUND

The Target Fund and the Company must comply with all applicable EU and Luxembourg laws and regulations, notably the 2010 Law, as well as certain circulars, guidelines and other requirements.

This section describes the types of assets, techniques and instruments that are permitted as a matter of law and regulation, as well as the applicable limits, restrictions and requirements. In case of any discrepancy with the 2010 Law itself, the latter (in the original French) will prevail. In the case of any detected violation of the investment restrictions applicable to the Target Fund, the Investment Manager of the Target Fund must make compliance with these restrictions a priority in its securities trades and management decisions, while taking due account of the interests of shareholders.

Except where noted, all percentages and restrictions apply to the Target Fund, and all asset percentages are measured as a percentage of its total net assets.

#### 2.4.1. Permitted Assets, techniques and instruments

The table below describes the types of assets, techniques and instruments that the Company and the Target Fund can invest in and use. The Target Fund may set limits that are more restrictive in one way or another, based on their investment objectives and policies. The Target Fund's usage of any asset, technique or transaction must be consistent with its investment policies and restrictions.

The Target Fund that invests or is marketed in jurisdictions outside the EU may be subject to further requirements. See Additional Restrictions Imposed by Specific Jurisdictions below.

The Target Fund cannot acquire assets that come with unlimited liability attached, underwrite securities of other issuers, or issue warrants or other rights to subscribe for their shares.

| Security/ Transaction |   | Requirements  |  |
|-----------------------|---|---|--|
| 1.                    | Transferable securities and money market instruments                | Must be listed or traded on a Regulated Market.   | Recently issued securities must include in their terms of issue a commitment to apply for official listing on a Regulated Market and such admission must be received within 12 months of issue.  |
| 2.                    | Money market instruments that do not meet the requirements in row 1 | Must be subject (at the securities or issuer level) to regulation aimed at protecting investors and savings and must meet one of the following: <ul style="list-style-type: none"> <li>▪ be issued or guaranteed by a central, regional or local authority, or a central bank of an EU Member State, the European Central Bank, the European Investment Bank, the EU, a public international body to which at least one EU Member State belongs, a sovereign nation, or a member state of a federation.</li> <li>▪ be issued by an undertaking of any securities that qualify under row 1 (with exception of recently issued securities).</li> <li>▪ be issued or guaranteed by a credit institution which has its registered office in a country which is an OECD Member State or a FATF State.</li> </ul> | Can also qualify if the issuer belongs to a category approved by the CSSF, is subject to investor protections that are equivalent to those described directly at left, and meets one of the following criteria: <ul style="list-style-type: none"> <li>▪ is issued by a company with at least EUR 10 million in capital and reserves that publishes annual accounts consistent with fourth Directive 78/660/EEC.</li> <li>▪ is issued by an entity dedicated to financing a group of companies at least one of which is publicly listed.</li> <li>▪ is issued by an entity dedicated to financing securitisation vehicles that benefit from a banking liquidity line.</li> </ul> |
| 3.                    | Transferable securities and   | Limited to 10% of the Target Fund's assets.   |  |

| Security/ Transaction |  | Requirements  |  |
|-----------------------|--|---|--|
|                       | money market instruments that do not meet the requirements in rows 1 and 2     |   |  |
| 4.                    | Units of UCITS or other UCIs that are not linked to the Company*               | <p>Must be limited by constitutional documents to investing no more than 10% of assets in aggregate in other UCITS or other UCIs. If the target investment is an "other UCI", it must:</p> <ul style="list-style-type: none"> <li>▪ invest in UCITS-allowable investments.</li> <li>▪ be authorized by an EU Member State or by a state the CSSF considers to have equivalent laws on supervision, with adequate cooperation between authorities sufficiently ensured.</li> </ul>   | <ul style="list-style-type: none"> <li>▪ issue annual and semi-annual reports that enable an assessment of assets, liabilities, income and operations over the reporting period.</li> <li>▪ offer investor protections that are equivalent to those of a UCITS, in particular as to the rules on asset segregation, borrowing, lending and uncovered sales.</li> </ul>   |
| 5.                    | Units of UCITS or other UCIs that are linked to the Company*                   | <p>Must meet all requirements in row 4.<br/>The Company's annual report must state the total annual management and advisory fees charged both to the Target Fund and to the UCITS/other UCIs in which the Target Fund has invested during the relevant period.</p>  | <p>The underlying UCITS/UCI cannot charge the Target Fund any fees for buying or redeeming shares.<br/><i>Company policy: there is no net annual management fee charged to a fund by any linked UCITS/UCIs.</i></p>  |
| 6.                    | Shares of other sub-funds of the Company                                       | <p>Must meet all requirements in row 5.<br/>The target sub-fund cannot invest, in turn, in the Target Fund (reciprocal ownership).</p>  | <p>The acquiring Target Fund surrenders all voting rights in shares it acquires.<br/><i>The shares do not count as assets of the acquiring Target Fund for purposes of minimum asset thresholds imposed by the 2010 Law.</i></p>   |
| 7.                    | Real estate and commodities, including precious metals                         | <p>Direct ownership of precious metals and other commodities, or certificates representing them, is prohibited. Indirect Investment exposure is allowed through permitted investments outlined in this table.</p>   | <p>property that is directly necessary to its business.</p>  |
| 8.                    | Deposits with credit institutions  | <p>Must be repayable or withdrawable on demand, and any maturity date must be no more than 12 months.</p>   | <p><i>The credit institutions either must either have a registered office in an EU Member State or, if not, be subject to prudential supervision rules the CSSF consider to be at least as stringent as EU rules.</i></p>  |
| 9.                    | Cash and cash equivalent   | <p>May be held on an ancillary basis.</p>   |  |
| 10.                   | Derivatives and equivalent cash-settled instruments                            | <p>Underlying assets must be those described in rows 1, 2, 4, 5, 6 and 8 or must be financial indices, interest rates, foreign exchange rates or currencies consistent with the Target Fund investment objectives and policies. All usage must be adequately captured by the risk management process described in Management and Monitoring of Derivatives Risks below.</p>   | <p>OTC derivatives must meet all of the following criteria:</p> <ul style="list-style-type: none"> <li>▪ be subject to reliable and verifiable independent daily valuations</li> <li>▪ be able to be sold, liquidated or closed by an offsetting transaction at their fair value at any time at the Company's initiative</li> <li>▪ be with counterparties that are institutions subject to prudential supervision and that belong to categories approved by the CSSF</li> </ul> |
| 11.                   | Securities lending repurchase transactions and reverse repurchase transactions | <p>Must be used for efficient portfolio management only. The volume of transactions must not interfere with the Target Fund's pursuit of its investment policy or its ability to meet redemptions. With loans of securities and with repurchase transactions, the Target Fund must ensure that it has sufficient assets to settle the transaction. All counterparties must be subject to EU prudential supervision rules or to rules the CSSF consider to be at least as stringent.</p> <p>The Target Fund may lend securities:</p> <ul style="list-style-type: none"> <li>▪ directly to a counterparty.</li> <li>▪ through a lending system organised by a financial institution that specialises in this type of transaction.</li> <li>▪ through a standardised lending system organised</li> </ul> | <p>For each transaction, the Target Fund must receive and hold collateral that is at least equivalent, at all times during the lifetime of the transactions, to the full current value of the securities lent. The Target Fund must have the right to terminate any of these transactions at any time and to recall the securities that have been lent or are subject to the repurchase agreement.</p>   |

| Security/ Transaction |             | Requirements  |  |
|-----------------------|-------------|---|--|
|                       |             | by a recognised clearing institution.   |  |
| 12.                   | Borrowing   | The Company is not allowed to borrow in principle except if it is on a temporary basis and represents no more of 10% of the Target Fund's assets. | The Company may however acquire foreign currency by means of back to-back loans. |
| 13.                   | Short sales | Direct short sales are prohibited.  | Short positions may be acquired only through derivatives.                        |

\* A UCITS/UCI is considered to be linked to the Company if both are managed or controlled by the same Management Company or another affiliated entity.

In keeping with Luxembourg law, the Management Company has implemented a policy that seeks to restrict investments in securities issued by companies that have been identified by third party providers as being involved in the manufacture, production or supply of cluster munitions, depleted uranium ammunition and armour or anti-personnel mines. More information on the Management Company's policy on restrictions applying to cluster munitions is available from the Management Company.

#### 2.4.2. Additional Restrictions Imposed by Specific Jurisdictions

Any Sub-Fund registered in multiple jurisdictions will comply with the restrictions for all jurisdictions where it is registered.

| Jurisdiction | Investment  | Restrictions or other terms   | Sub-Funds affected                          |
|--------------|---|---|---|
| Taiwan       | Securities traded in, or issued by the government of, the PRC (includes China A and B Shares and the China Interbank Bond Market) | Limited to 20% of net assets (direct exposure only).  | sub-Funds registered in Taiwan <sup>1</sup> |
|              | Derivatives   | Exposure from non-hedging derivatives plus exposure from any derivatives used to hedge the Sub-Fund beyond 100% of its NAV are limited to the percentage stipulated by the Taiwanese regulator (currently 40%). | Sub-Funds registered in Taiwan.             |

<sup>1</sup> Except Sub-Funds sold in the PRC through the qualified domestic institutional investor scheme.

A list of Sub-Funds registered for public distribution in any jurisdiction can be obtained from the Management Company and/or the local agent.

#### 2.4.3. Diversification Requirements

To ensure diversification, the Target Fund cannot invest more than a certain percentage of its assets in one issuer or single body, as defined below. These diversification rules do not apply during the first six months of the Target Fund's operation, but the Target Fund must observe the principle of risk spreading.

For purposes of this table, companies that share consolidated accounts in accordance with Directive 2013/341/EU or with recognised international accounting rules are considered to be a single body.

Maximum investment, as a % of the Target Fund net assets (except where noted)

| Category of securities |   | In any one issuer | In Aggregate | Other Restrictions                   | Exceptions   |
|------------------------|---|-------------------|--------------|--------------------------------------|--|
| A                      | Transferable securities and money market instruments issued or guaranteed by a sovereign nation, any EU public local authority, or any public international body to which one or more EU Member States belongs. | 35%               | 35%          | -                                    | The Target Fund may invest up to 100% of its assets in as few as six issues if it is investing in accordance with the principle of risk spreading and meets both of the following criteria: <ul style="list-style-type: none"> <li>▪ it invests no more than 30% in any one issue</li> <li>▪ the securities are issued by an EU Member State, its local authorities or agencies, a member State of the OECD or of the G20, Singapore, Hong Kong or by a public international bodies of which one or more EU Member State belongs</li> </ul> The exception described for row C applies to this row as well. |
| B                      | Bonds issued by a credit institution whose registered office is in an EU  | 25%               | 35%          | 80% in any issuer in whose bonds the | -  |

| Category of securities |  | In any one issuer   | In Aggregate | Other Restrictions  | Exceptions   |
|------------------------|--|---|--------------|---|--|
|                        | Member State and which is subject by law to special public supervision designed to protect bondholders*.             |   |              | Target Fund has invested more than 5% of assets.  |  |
| C                      | Any transferable securities and money market instruments other than those described in rows A and B above.           | 10%   | 20 % / 35%   | 20% in transferable securities and money market instruments within the same group. 40% in aggregate in all issuers in which the Target Fund has invested more than 5% of its assets (does not include deposits and OTC derivative contracts with financial institutions subject to prudential supervision and securities referred to under rows A and B). | For index-tracking Sub-Funds, the 10% increases to 20% in the case of a published, sufficiently diversified index that is adequate as a Benchmark for its market and is recognised by the CSSF. This 20% increases to 35% (but for one issuer only) in exceptional circumstances, such as when the security is highly dominant in the regulated market in which it trades. |
| D                      | Deposits with credit institutions  | 20%   | 20% / 35%    | -   | -  |
| E                      | OTC derivatives with a counterparty that is a credit institution as defined in row 8 above (first table in section). | Max risk exposure 10%   | 20% / 35%    | -   | -  |
| F                      | OTC derivatives with any other counterparty.   | Max risk exposure 5%  | 20% / 35%    | -   | -  |
| G                      | Units of UCITS or UCIs as defined in rows 4 and 5 above (first table in section).                                    | With no specific statement in the Target Fund's objective and policies, 10% in aggregate in one or more UCITS or other UCIs. With a specific statement: <ul style="list-style-type: none"> <li>▪ 20% in any one UCITS or UCI</li> <li>▪ 30% in aggregate in all UCIs other than UCITS 100% in aggregate in all UCITS</li> </ul> |              | Target sub-funds of an umbrella structure whose assets and liabilities are segregated and considered as a separate UCITS or other UCI. Assets held by the UCITS or other UCIs do not count for purposes of complying with rows A – F of this table.   | -  |

\* In particular, all sums deriving from their issuance must be invested in accordance with the law in assets that, for the life of the bonds, are capable of covering all claims attaching to the bonds and in case of issuer bankruptcy would be used, on a priority basis, to reimburse principal and accrued interest.

#### 2.4.4. Limits to Prevent Concentration of Ownership

These limits are intended to prevent the Company or the Target Fund from the risks that could arise (for itself or an issuer) if it were to own a significant percentage of a given security or issuer.

| Category of Securities                    | Maximum ownership, as a % of the total value of the securities issued                              |   |  |
|---|--|---|--|
| Securities carrying voting rights         | Less than would enable the Fund to exercise significant influence over the management of an issuer | -   | These rules do not apply to: <ul style="list-style-type: none"> <li>▪ securities described in row A of the table above</li> <li>▪ shares of a non-EU company that invests mainly in its home country and represents the only way to invest in that country in accordance with the 2010 Law</li> <li>▪ shares of subsidiaries that provide management, advice or marketing in their country, when done as a way of effecting repurchase transactions for shareholders in accordance with the 2010 Law.</li> </ul> |
| Non-voting securities of any one issuer   | 10%  | -   |  |
| Debt securities of any one issuer         | 10%  | These limits can be disregarded at purchase if at that time the gross amount of bonds or money market instruments, or the net amount of the instruments in issue, cannot be calculated. |  |
| Money market securities of any one issuer | 10%  |   |  |
| Shares of any UCITS or other UCI          | 25%  |   |  |

The Target Fund does not need to comply with the investment limits described above under Diversification Requirements and Limits to Prevent Concentration of Ownership when exercising subscription rights attaching to transferable securities or money market instruments which form part of its assets, so long as any violations of the investment restrictions resulting from the exercise of subscription rights are corrected as described above under General Investment Policies of the Target Fund.

#### 2.4.5. Management and Monitoring of Derivatives Risk

The Management Company uses a risk-management process, approved and supervised by its board of managers, to monitor and measure at any time the overall risk profile of each Sub-Fund, including the risk of each OTC derivatives position.

Any derivatives embedded in transferable securities or money market instruments count as derivatives held by the Target Fund, and any exposure to transferable securities or money market instruments gained through derivatives (except certain index-based derivatives) counts as investment in those securities or instruments.

Global exposure is a measure designed to monitor the Company's use of derivatives and is used as part of the overall risk management process. The Company must ensure that the global exposure of the Target Fund relating to derivatives does not exceed 100% of the total net assets of the Target Fund. The Target Fund's overall risk exposure shall consequently not exceed 200% of its total net assets. In addition, this overall risk exposure may not be increased by more than 10% by means of temporary borrowings so that the Target Fund's overall risk exposure may not exceed 210% of the Target Fund's total assets under any circumstances.

#### Risk monitoring approaches

There are two main risk measurement approaches — Commitment and Value at Risk ("VaR"). The VaR approach in turn has two forms (absolute and relative). The Commitment approach and the two forms of the VaR approach are described below. The approach used for the Target Fund is based on the Target Fund's investment policy and strategy.

| Approach                              | Description   |
|---------------------------------------|---|
| Absolute Value at Risk (Absolute VaR) | The Target Fund seeks to estimate the potential loss it could experience in a month (20 trading days) under normal market conditions. The estimate is based on the previous 12 months (250 business days) of the Target Fund's performance, and requires that 99% of the time, the Target Fund's worst outcome is no worse than a 20% decline in NAV.   |
| Relative Value at Risk (Relative VaR) | The relative VaR of the Target Fund is expressed as a multiple of a benchmark or reference portfolio and cannot, under the same circumstances as above, exceed twice the VaR of the relevant benchmark or reference portfolio. The reference portfolio may be different from the benchmark as stated in Sub-Fund Descriptions in the Prospectus.  |
| Commitment                            | The Target Fund calculates its global exposure by taking into account either the market value of an equivalent position in the underlying asset or the derivative's notional value, as appropriate. This approach allows the Target Fund to reduce its global exposure by taking into account the effects of any hedging or offsetting positions. Note that with the commitment approach, certain types of risk-free transactions, leverage-free transactions and non-leveraged swaps can be excluded from the calculation. |

#### Leverage

The Target Fund that uses the Absolute or Relative VaR approach must also calculate its expected level of leverage, which is stated in Sub-Fund Descriptions in the Prospectus. The Target Fund's expected level of leverage is an indicative level not a regulatory limit and the actual level may exceed the expected level from time to time. However, the Target Fund's use of derivatives will remain consistent with its investment objective and policies and risk profile and will comply with its VaR limit.

Leverage is a measure of total exposure of all derivatives and is calculated as the "sum of the notionals" without any netting of opposing positions. As the leverage calculation considers neither sensitivity to market movements nor whether it increases or decreases the overall Target Fund's risk, it may not be representative of the actual investment risk level within the Target Fund.

Further information about the Company's risk management process (including quantitative limits, how those limits are derived and recent levels of risks and yields for various instruments) is available upon request from the registered office of the Management Company.

## 2.5. DILUTION ADJUSTMENT / SWING PRICING

To protect the interests of shareholders, the Target Fund's NAV may be adjusted to compensate for dilutions that can arise in connection with large flows of cash into or out the Target Fund.

These adjustments are normally applied on any Valuation Day when the total volume of trading in the Target Fund's shares (meaning both purchases and redemptions) exceeds a certain threshold. The adjustments will seek to reflect the anticipated prices at which the Target Fund will be buying and selling assets, as well as estimated transaction costs. The NAV will be adjusted upward when there are large cash inflows into the Target Fund and downward when there are large outflows. For any given valuation day, the adjustment will never be larger than 2% of what the NAV would otherwise be. The price adjustment applicable to the Target Fund is available on request from the Management Company at its registered office.

The Management Company makes, and periodically reviews, the operational decisions about swing pricing, including the thresholds that trigger it, the extent of the adjustment in each case, and which the Target Fund will and will not be subject to swing pricing at any given time.

Swing pricing is normally applied to a merging Target Fund to minimise the impact of the incoming asset flows on the receiving Target Fund.

Note that the Management Company can decide not to apply swing pricing to purchases when it is trying to attract assets so that the Target Fund can reach a certain size. In this case, the Management Company will pay the dealing costs and other costs from its own assets in order to prevent dilution of shareholder value. Note that in this circumstance, investors placing redemption requests will not receive the price for their shares that they would have if swing pricing were being applied.

For a list of Sub-Funds to which the Management Company has decided not to apply the swing pricing adjustment, please refer to <http://www.jpmorganassetmanagement.lu>.

## 2.6. SUSPENSIONS AND DEFERRALS

Temporarily suspend or defer the calculation of NAVs or deals in the Target Fund and/or its share class when any of the following is true:

- any exchange or market, on which a substantial portion of the Target Fund's investments is traded, is closed, otherwise than for public holidays, or while dealings on any such exchange or market are restricted or suspended;
- the Company is unable to repatriate funds for the purpose of making payments on the redemption of the shares of the Target Fund or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of shares cannot, in the opinion of the Directors, be effected at normal prices or rates of exchange;
- a breakdown exists in the means of communications or computation normally employed in determining any of the Company's assets, or the current price or values on any market of stock exchange;
- the Company, the Target Fund or a Share Class is being, or may be, wound-up on or following the date on which notice is given of the meeting of shareholders at which a resolution to wind up the Company, the Target Fund or a share class is proposed;
- any state of affairs exists that, in the view of the Board, constitutes an emergency as a result of which disposal or valuation of investments of the Target Fund by the Management Company is impracticable;
- the Board has determined that there has been a material change in the valuation of a substantial proportion of the investments of the Company attributable to the Target Fund, and has further decided, in order to safeguard the interests of the shareholders and the Company, to delay the preparation or use of a valuation or carry out a later or subsequent valuation;
- in the case of a suspension of the calculation of the net asset value of one or several underlying investment funds in which a Target Fund has invested a substantial portion of assets;
- in the case of a merger, if the Board deems this to be justified for the protection of the shareholders;
- any other circumstance exists where a failure to do so might result in the Company or its shareholders incurring any liability to taxation or suffering other pecuniary disadvantages or other detriment that the Company or its shareholders might not otherwise have suffered.

A suspension will apply to all types of deals in shares (except transfers) and will apply at the Target Fund or share class level as applicable.

In connection with suspensions the Company will refuse to accept requests to buy, switch or redeem shares during the time the Board has suspended the calculation of NAV. During this time shareholders may withdraw their request. Any requests that are not withdrawn will be dealt on the next valuation day once the suspension is over.

Shareholders will be informed of any suspension or deferral as appropriate.

### **Limit how many shares are redeemed for the Target Fund on any valuation day**

On any valuation day, the Management Company will not be obliged to process redemption and switch out requests in their entirety, when the total net outflow from the Target Fund exceeds 10% of the total net assets of the Target Fund. The Management Company may decide that redemption and switch out requests in excess of 10% shall be deferred to the next valuation day. All redemption and switch out requests whose processing is delayed by this, either partially or in full, will be processed in the order of the valuation day on which they were accepted for redemption, subject to any suspensions of dealing requests or further imposition of the 10% daily limit.

## 2.7. TARGET FUND SOFT CLOSURE

Close (or re-open) the Target Fund or share class to further investment either from new investors or all investors, for an indefinite period without advance notice, so long as it is consistent with the interests of shareholders. This may happen where a the Target Fund reaches a size such that the capacity of the market and/or the Investment Manager has been reached, and permitting further inflows would be detrimental to the performance of the Target Fund. Once closed, the Target Fund or share class will not be re-opened until, in the opinion of the Management Company, the circumstances that required the closure no longer exist.

For information on the status of the Target Fund and its share classes, please refer to <http://www.jpmorganassetmanagement.com>.

**2.8. FEES CHARGED BY THE TARGET FUND (CLASS C (div) – USD HEDGED)**

| Fees/Expenses                         | %  |
|---------------------------------------|--|
| Initial charge                        | Nil.   |
| Management fee                        | Up to 0.60% per annum of the NAV of the Target Fund.<br><i>Note: The management fee charged by the Target Fund will be paid out of the Management Fee charged by the Manager at the Fund level. Unit holders will incur a Management Fee at the Fund's level only and there is no double charging of management fee.</i> |
| Redemption charge                     | Nil.   |
| Switch Charge                         | Up to 1.00%  |
| Distribution Fee                      | Nil.   |
| Operating and Administrative Expenses | Up to 0.15% per annum of the NAV of the Target Fund.   |
| Other expenses                        | Nil.   |

## 3. FEES, CHARGES AND EXPENSES

### 3.1. CHARGES

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

#### 3.1.1. Application Fee

When applying for units 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.

|  | Class ABC<br>(Denominated in USD)                                    | Class XYZ<br>(Denominated in MYR)                                    |
|--|--|--|
| Investment amount  | USD 10,000   | MYR 10,000   |
| NAV per unit   | USD 1.0000   | MYR 1.0000   |
| Application Fee (NAV per unit)                           | 5.5%   | 5.5%   |
| Units issued to Unit holder                              |  |  |
| = $\frac{\text{Investment amount}}{\text{NAV per unit}}$ | = $\frac{\text{USD 10,000.00}}{\text{USD 1.0000}}$<br>= 10,000 units | = $\frac{\text{MYR 10,000.00}}{\text{MYR 1.0000}}$<br>= 10,000 units |
| Application Fee per unit                                 |  |  |
| = NAV per unit x Application Fee (%)                     | = USD 1.0000 x 5.5%<br>= USD 0.0550                                  | = MYR 1.0000 x 5.5%<br>= MYR 0.0550                                  |
| Total Application Fee                                    | = 10,000 units x USD 0.0550<br>= <b>USD 550.00</b>                   | = 10,000 units x MYR 0.0550<br>= <b>MYR 550.00</b>                   |

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

#### 3.1.2. Withdrawal Fee

Nil.

#### 3.1.3. Dilution Fee

Nil.

#### 3.1.4. 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). 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. In addition, you may be charged administrative fee for each switch. Please refer to the Annexure of the respective Class for further information.

#### 3.1.5. Transfer Fee

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

### 3.2. FEES AND EXPENSES

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

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

#### 3.2.1. 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.

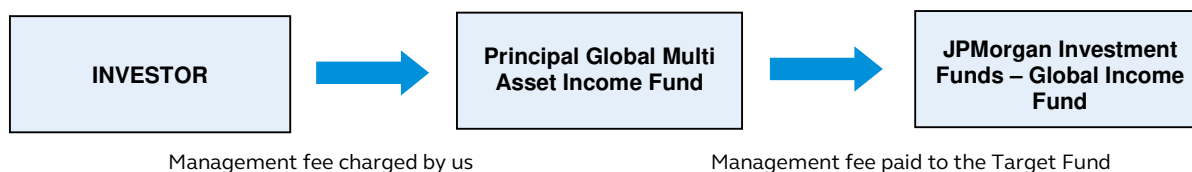
Below is an illustration on how the Management Fee is calculated, assuming Management Fee of 1.80% per annum and USD 150 million each for both Class ABC and Class XYZ:-



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

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

Please note that although at least 95% of the Fund's NAV may be invested in another CIS, no additional Management Fees will be charged to the investor.



**Note:** The Management Fee will only be charged once at the Fund level. The management fee charged by the Target Fund will be paid out of the Management Fee charged at the Fund level.

As this Fund will invest in units of the Target Fund, there is management fee incurred by the Target Fund, which will be rebated back to the Fund to ensure that there will not be double charging of the management fee. Please refer to “Fees charged by the Target Fund” section at page 17 for details on the Target Fund’s management fee.

### 3.2.2. Trustee Fee

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

The Trustee Fee is up to 0.04% per annum of the NAV of the Fund.

*Illustration on how the Trustee Fee is calculated, assuming the NAV of the Fund is USD 300 million: -*

Trustee Fee for the Fund = 0.04% per annum  
Trustee Fee for the day = NAV of the Fund x annual Trustee Fee rate for the Fund (%) / 365 days  
= USD 300 million x 0.04% / 365  
= USD 328.77

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

### 3.2.3. Expenses

The Deed also provides for payment of other expenses. The major expenses recoverable directly from the Fund include:

- expenses incurred in the sale, purchase, insurance, and any other dealings of investments including commissions/fees paid to brokers (if any);
- commissions/fees paid to brokers/dealers (if any) in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes or difference accounts;
- 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), charges/fees paid to the sub-custodian;
- expenses incurred in 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 engagement of valuers, advisers and contractors of all kinds;
- preparation and audit of the taxation returns and accounts of the Fund;
- tax agent’s and auditor’s fees, and expenses;
- valuation fees for any investments of the Fund paid to independent valuers for the benefit of the Fund;
- costs incurred in modifying the Deed for the benefit of Unit holders;
- termination of the Fund and the retirement or removal of the Trustee or Manager and the appointment of a new trustee or management company;
- any proceedings, arbitration or other dispute concerning the Fund or any asset, including proceedings against the Trustee or the Manager, or commenced by either of them for the benefit of the Fund (except to the extent that legal costs incurred for the defense of either of them are ordered by the court not to be reimbursed out of the Fund);
- costs of obtaining experts opinion by the Trustee and the Management Company for the benefit of the Fund;
- cost of convening and holding meetings of Unit holders (other than those meetings convened for the benefit of the Manager or the Trustee); and

- all costs, bank charges and expenses related to income distributions of the Fund; for example, postage and printing of all cheques and statements to Unit holders of the Fund and the payment of such distribution including without limitation fees, costs and/or expenses for the revalidation or reissuance of any distribution cheque or warrant or telegraphic transfer.

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. We will ensure that there is no double charging of management fee to be incurred by you when you invest in the Fund. All expenses of the Fund will generally be apportioned to each Class based on the MCR except for those that are related to the specific Class only, such as, the cost of Unit holders meeting held in relation to the respective Class. If in doubt, you should consult professional advisers for 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.

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 the Sophisticated Investor in respect of the Fund, either generally (for all Sophisticated Investors) or specifically (for any particular Sophisticated Investor, a group of Sophisticated Investor or investments made via any digital platform) and for any period or periods of time at its absolute discretion.

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.

### **3.3. REBATES AND SOFT COMMISSIONS**

We 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 Information Memorandum.**

**As this is a feeder fund, you are advised that you will be subjected to higher fees arising from the layered investment structure.**

**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.**

## 4. TRANSACTION INFORMATION

### 4.1. VALUATION OF INVESTMENTS PERMITTED BY THE FUND

We will ensure that all the assets of the Fund are valued in a fair manner. The assets of the Fund are valued as follows:

- **CIS**  
The value of the unlisted CIS (i.e. Target Fund) shall be determined by reference to the last published repurchase or redemption price for the 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, includes but not limited to Bond Pricing Agency (“BPA”) registered by the SC. Where the quotes are provided by financial institutions, the valuation of the money market instruments will be based on the average of bid and offer prices quoted by three (3) independent and reputable financial institutions of similar standing at the close of trading, based on the methods or bases which have been verified by the auditor of the Fund 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.
- **Derivatives**  
The value of unlisted derivative instruments, the value will be determined by the financial institution that issued the instrument. In any event, we shall ensure that the valuation of the investment is valued at fair value as determined in good faith by us, on methods and bases which shall be verified by the auditor of the Fund and approved by the Trustee.

The value of any listed derivatives, which are quoted on an approved exchange, shall be calculated 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 shall be valued at fair price as determined by reference to 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 derivatives 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 derivatives has been suspended for a period exceeding fourteen (14) days, whereupon their fair value will be determined in good faith by us based on the methods or bases approved by the Trustee after appropriate technical consultation.

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

### 4.2. 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 unit pricing on a Business Day (i.e. the NAV per unit) that we receive the completed relevant transaction forms from you.

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

We will carry out the valuation of 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. Currently, the currency translation is based on the bid exchange rate quoted by Bloomberg or 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 we may determine or 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).

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

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

The NAV of the Fund is the sum of the value of all investments and cash held by the Fund (calculated in accordance with the 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 which also includes any provisions that may be made by us and the Trustee. 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. USD. As such, all the assets and liabilities of each Class will be translated into USD 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. at the same day (Malaysia time 11:00 p.m. or 12:00 a.m.), or such other time as we

may determine or as per 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.

### **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 USD) of the respective Class by the NAV of the Fund before income and expenses for the day. The apportionment is expressed as a ratio and calculated as a percentage.

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

|   | <b>Fund</b><br><b>(USD)</b> | <b>Class ABC</b><br><b>(Denominated in USD)</b><br><b>(USD)</b> | <b>Class XYZ</b><br><b>(Denominated in MYR)</b><br><b>(USD)</b> |
|---|-----------------------------|---|---|
| NAV of the Fund before income and expenses            | 185,942,897                 | 173,342,897   | 12,600,000  |
| % MCR   | 100%                        | <sup>(1)</sup> 93.22%   | <sup>(1)</sup> 6.78%  |
| Add: Income   | 30,000                      | <sup>(2)</sup> 27,966   | <sup>(2)</sup> 2,034  |
| Less: Expenses  | (10,000)                    | <sup>(2)</sup> (9,322)  | <sup>(2)</sup> (678)  |
| Benefits or costs of hedging (if any)                 |                             | -   | 900   |
| NAV of the Fund before Management Fee and Trustee Fee | 18 5,963,797                | 173,361,542   | 12,602,255  |
| Less: Management Fee                                  | (9,170)                     | <b>1.80% p.a.</b><br>(8,548)                                    | <b>1.80% p.a.</b><br>(621)                                      |
| Less: Trustee Fee                                     | (204)                       | <b>0.04% p.a.</b><br>(190)                                      | -<br>(14)   |
| NAV of the Fund                                       | 185,954,424                 | 173,352,804   | 12,601,620  |
| Units in circulation                                  | 205,000,000 units           | 170,000,000 units   | 35,000,000 units  |
| <b>NAV per unit</b>                                   |                             | <b>1.0197</b>   | <b>0.3600</b>   |
| Currency exchange rate                                |                             | N/A   | (MYR/USD) 4.00  |
| NAV per unit  |                             | <b>USD 1.0197</b>   | <b>MYR 1.4400</b>   |

|  | <b>Fund</b><br><b>(USD)</b> | <b>Class ABC</b><br><b>(Denominated in USD)</b><br><b>(USD)</b> | <b>Class XYZ</b><br><b>(Denominated in MYR)</b><br><b>(USD)</b> |
|--|-----------------------------|---|---|
| NAV of the Fund before creation of units for the day | 185,954,424.00              | 173,352,804.00  | 12,601,620.00   |
| <sup>(3)</sup> Creation of units                     | 1,250,000.00                | 1,000,000.00  | 250,000.00  |
| Closing NAV  | 187,204,424.00              | 174,352,804.00  | 12,851,620.00   |
| Units in circulation                                 | 206,675,125.04 units        | 170,980,680.59 units  | 35,694,444.44 units   |
| NAV per unit   |                             | <b>1.0197</b>   | <b>0.3600</b>   |
| Currency exchange rate                               |                             | N/A   | (MYR/USD) 4.00  |
| NAV per unit   |                             | <b>USD 1.0197</b>   | <b>MYR 1.4400</b>   |

### **Note:**

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

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

= 93.22%

= 6.78%

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

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

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

|                        | Class ABC<br>(Denominated in USD) | Class XYZ<br>(Denominated in MYR) |
|------------------------|-----------------------------------|-----------------------------------|
| Creation of units      | USD 1,000,000                     | MYR 1,000,000                     |
| NAV per unit           | USD 1.0197                        | MYR 1.4400                        |
| Number of units        | 980,680.59 units                  | 694,444.44 units                  |
| Currency exchange rate | N/A                               | (MYR/USD) 4.00                    |
| Creation of units      | USD 1,000,000                     | USD 250,000                       |

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

### 4.3. INCORRECT PRICING

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

- a) in the event of over valuation and/or pricing, we shall reimburse:
  - (i) the Fund for any withdrawal of units; and/or
  - (ii) you, if you have 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, unless the Trustee otherwise directs, 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 USD 10.00 (or the same value in the respective Class currency) 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 aforesaid limits from time to time.

### 4.4. INVESTING

#### 4.4.1. Who can invest?

The Fund shall only be offered or marketed to Sophisticated Investors.

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

- an individual who is at least eighteen (18) years of age and is 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, where 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.

#### **4.4.2. 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;
- 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.

#### **4.4.3. Regular Savings Plan ("RSP")**

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 the 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 when we receive your application and/or your monthly contribution. You can also arrange a standing instruction with our Distributors to invest a pre-determined amount in the Class each month. You can cancel your RSP at any time by providing written instructions to the relevant Distributors.

#### **4.4.4. 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 and are Sophisticated Investor.

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.

**You are advised not to make payment in cash to any individual agent when purchasing units of a fund.**

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, 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).

## **4.5. 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.

#### **4.5.1. 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., we will process it using the NAV per unit for the next Business Day. We will only process the completed applications with all the necessary information. The number of units that you receive will be rounded down to two (2) decimal places.

## **4.6. MINIMUM WITHDRAWALS**

The minimum withdrawal 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 your bank account (or foreign currency bank account, as the case may be) provided by you. If we wish to increase the minimum withdrawals, we will consult with the Trustee and you will be notified of such changes before implementation.

#### 4.6.1. 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., we will process it using the NAV per unit for the next Business Day. The amount you will receive is calculated by the withdrawal value less the Withdrawal Fee, if any. Under normal circumstances, you will be paid in the currency of the Class (e.g. Class USD will be paid in USD) within ten (10) days upon receipt of the complete withdrawal request. You will have to bear the applicable bank fees and charges, if any

You should note that the time taken to pay the redemption proceeds to you (i.e. ten (10) days) may be extended/delayed if:

- (i) The determination of the NAV of the shares of the Target Fund is suspended<sup>Note 1</sup>;
- (ii) The redemption request of the Target Fund is deferred<sup>Note 2</sup>; or
- (iii) There are any unforeseen circumstances that caused a delay in us receiving redemption proceeds, subject to concurrence from Trustee.

Should any of the above events occur, we may not be able to pay the redemption proceeds to you within ten (10) days. However, we will pay the redemption proceeds to you within ten (10) days subsequent to the receipt of redemption proceeds.

**Note 1:** *The determination of the NAV or deals in the Target Fund may be suspended during a period when trading on a relevant stock exchange is substantially restricted or when other specified circumstances exist which make it impracticable to dispose of or value any of the investments (as described in section “2.6 Suspensions and Deferrals” above). No Share of the Target Fund may be issued, redeemed or switched during a period of suspension*

**Note 2:** *The Company may limit the number of shares redeemed or switched on any valuation day to 10% of the total number of shares in issue of the Target Fund. In such event, the redemption may be deferred for a period not exceeding ten (10) Luxembourg Business Days. These instructions to redeem will be executed in priority to later instructions.*

Please refer to the “2.6 Suspensions and Deferrals” section at page 16 for more information. If in doubt, please consult your professional advisers.

## 4.7. 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 your entire investment and forward the proceeds to you.

## 4.8. COOLING-OFF PERIOD

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

## 4.9. SWITCHING

Switching is available between the Classes of the Fund or between a Class and other Principal Malaysia’s fund, 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 to reject any switching into (or out of) the Fund or Class, 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).

#### 4.9.1. 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 fund. 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., the switch-out will be processed using the NAV per unit for the next Business Day.

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

#### 4.10. TRANSFER FACILITY

You are allowed to transfer your holdings to an eligible Sophisticated Investor subject to such terms and conditions stipulated in the Deed. However, we may refuse to register any transfer of unit at our absolute discretion. You may be subjected to Transfer Fee for each transfer. Please refer to the Annexure of the respective Class or further information.

#### 4.11. TEMPORARY SUSPENSION

We and the Trustee may temporarily suspend the dealing in units of the Class or Fund, subject to the requirement 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.

#### 4.12. 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 Classes 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 in turn calculated by multiplying the total number of units held by you in the Class by the cent per unit distribution amount. On the distribution date, the NAV per unit will adjust accordingly. For more 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 (the cost and expense will be borne by you). No Application Fee is payable for the reinvestment.

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

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

**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.

#### 4.13. UNCLAIMED MONEYS

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

However, for income distribution payout to you 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, shall be transmitted to your valid and active bank account. If the bank transfer remained unsuccessful and unclaimed for six (6) months, it will be reinvested into the 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 holds units of the Class. No Application Fee is payable for the reinvestment. In the event that you no longer hold any unit in the Class, the distribution money would be subject to the 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.**



# 5. ADDITIONAL INFORMATION

## 5.1. FINANCIAL YEAR-END

31 July.

## 5.2. INFORMATION ON YOUR INVESTMENT

We will send you the following:

- monthly statement of your account showing details of transactions and distributions (if any); and
- quarterly report and annual report showing snapshots of the Fund and details of the portfolio for the respective period reported. Both the quarterly 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.**

Please take note that if your investments are made through an IUTA via a nominee system of ownership, you would not be deemed to be a Unit holder under the Deed. As such, you may obtain the above information from the respective IUTA.

## 5.3. TERMINATION OF FUND AND/OR ANY OF THE CLASSES

The Fund and/or Class may be terminated by us in our absolute discretion by giving not less than three (3) months' notice in writing to the Trustee and the Unit holders as hereinafter provided:

- if the NAV of the Fund shall be at such level as we consider it impossible or impracticable to continue the Fund; or
- if any new law shall be passed which renders it illegal or in our opinion impracticable or inadvisable to continue the Fund; or
- if in our reasonable opinion it is impracticable or inadvisable to continue the Fund.

## 5.4. RIGHTS AND LIABILITIES OF A UNIT HOLDER

Money invested by you in the Fund will purchase a number of units, which represents your interest in the Fund. Each unit held by you in the Fund represents an equal undivided beneficial interest in the assets of the Fund. However, the unit does not give you an interest in any particular part of the Fund 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 Fund on the Business Day the details are entered onto the Register of Unit holders.

### Rights

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

- To inspect the register, free of charge, at any time at our registered office, and obtain such information pertaining to its units as permitted under the Deed and SC Guidelines;
- To receive the distribution of the Fund (if any), participate in any increase in the capital value of the units and to other rights and privileges as set out in the Fund's Deed;
- To call for Unit holders' meetings;
- To vote for the removal of the Trustee or the Manager through a special resolution; and
- To receive annual reports or any other reports of the Fund; and
- To exercise cooling-off right.

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

### Liabilities

- (i) Your liability is limited to the purchase price per unit and Application Fee (if any) paid or agreed to be paid for a unit. You need not indemnify the Trustee or us if there is a deficiency in the assets of the Fund to meet the claim of any creditor of the Trustee or ours in respect of the Fund.
- (ii) Our recourse, the recourse of the Trustee and any creditor is limited to the assets of the Fund.

### Limitations

You cannot:

- (i) Interfere with any rights or powers of ours and/or Trustee under the Deed;
- (ii) exercise a right in respect of an asset of the Fund or lodge a caveat or other notice affecting the asset of the Fund or otherwise claim any interest in the 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.

## 5.5. 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 the business address of the Trustee (where applicable) without charge:

- The Deed;
- Information Memorandum and supplementary or replacement information memorandum, if any;
- The latest annual and interim reports of the Fund;
- Material contracts or documents disclosed in this Information Memorandum;
- The audited financial statements of the Manager and the Fund (where applicable) for the current financial year and for the last three (3) financial years or if less than three (3) years, from the date of incorporation or commencement; and
- The Target Fund's prospectus dated June 2019 including any supplemental prospectus or replacement prospectus, as the case may be.

## 5.6. POTENTIAL CONFLICTS OF INTERESTS AND RELATED-PARTY TRANSACTIONS

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

We shall not act as principals in the sale and purchase of any securities or investments to and from the Fund. We shall not make any investment for the Fund in any securities, properties or assets in which we or 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<br>(formerly known as CIMB-Principal Islamic Asset Management Sdn Bhd) |
|                        |             | 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 the CIMB Group and the Principal Financial 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.

### The Trustee

As for the Trustee and service provider for the Fund, there may be proposed 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 monies, 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 custodied by the related party of the Trustee both as sub-custodian and/or global custodian of that Fund (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, if any. 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 parties 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 form of such contract or transaction or act in the same or similar capacity in relation to any other scheme.

#### **5.7. 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 Information Memorandum 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.

#### **5.8. EMPLOYEES' SECURITIES DEALINGS**

We have in place a policy contained in its 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.

## 6. THE MANAGER

### 6.1. 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 23 years of experience in the unit trust industry. The shareholders of the company 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 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 proceedings 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.

#### 6.1.1. Designated person responsible for fund management function

|                        |   |
|------------------------|---|
| <b>Name:</b>           | Patrick Chang Chian Ping  |
| <b>Designation:</b>    | Chief Investment Officer (CIO), 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, Malaysia and CIO Equities, ASEAN Region effective 1 October 2018. He comes with more than 18 years of experience in asset management. He was previously the Head of ASEAN equities at BNP Paribas Investment Partners, Malaysia where he oversees ASEAN equities for both Malaysian and offshore clients from 2012. Prior to that, he served as Senior Vice President for Principal Malaysia where he specialized in Malaysia, ASEAN and Asia specialist funds. He also worked as a portfolio manager at Riggs and Co International Private Banking in London specializing in managing global ETF portfolios and holds the Capital Markets Services Representative License. |
| <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>.

# 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, Capital Markets and Services Act 2007 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, Capital Markets and Services Act 2007 and the SC Guidelines. In respect of moneys paid by an investor for the application of units, the Trustee's responsibility arises when the moneys are received in the relevant account of the Trustee for the Fund 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 Capital Markets and Services Act 2007, 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 their nominee company, 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 any proceedings which might materially affect the business/financial position of Trustee and any of the Trustees or 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.

# **ANNEXURE - CLASS MYR**

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

## CLASS INFORMATION

| Class MYR                    |  | Page |
|------------------------------|--|------|
| <b>Currency denomination</b> | MYR  |      |
| <b>Distribution policy</b>   | Depending on the level of income (if any) that the Fund generates, the Class will distribute on a quarterly basis. If the distribution available is too small or insignificant, any distribution may not be of benefit to the Unit holders 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 the Unit holders. | 26   |

## FEES & CHARGES

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

| Charges   | Class MYR   | Page |
|---|---|------|
| <b>Application Fee</b>  | <b>Principal Distributors</b> : Up to 6.50% of the NAV per unit.<br><b>IUTAs</b> : Up to 5.50% of the NAV per unit.   | 18   |
| <b>Withdrawal Fee</b>   | Nil.  | 18   |
| <b>Dilution fee</b>   | Nil.  |      |
| <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 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. In addition, we may impose RM100 administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fees with us or our Distributors. We also have the discretion to waive the Switching Fee and/or administrative fees. | 18   |
| <b>Transfer Fee</b>   | A maximum of RM50 may be charged for each transfer.   | 19   |
| <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.   |      |

**All fees and charges payable by you 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 Information Memorandum.**

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

| Fees   | Class MYR   | Page |
|--|---|------|
| <b>Management Fee</b>  | Up to 1.80% per annum of the NAV of the Class   | 18   |
| <b>Trustee Fee</b>   | Up to 0.04% per annum (including local custodian fee but excluding foreign sub-custodian fees and charges) on the NAV of the Fund.  | 19   |
| <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.  | 19   |
| <b>Other fees payable indirectly by you when investing in the Fund</b> | Other fees indirectly incurred by a feeder fund such as dilution adjustment and transaction fees of the Target Fund. As such, you are indirectly bearing the dilution adjustment and transaction fees charged at the Target Fund level. | 19   |

**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 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 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.

**All fees and charges payable by 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 Information Memorandum.**

**We have the discretion to amend the amount, rate and/or terms and conditions for the above-mentioned fees and charges 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>    | RM 10,000 or such other amount as we may decide from time to time.   | 24   |
| <b>Minimum additional investment</b> | RM 500 or such other amount as we may decide from time to time.  | 24   |
| <b>Minimum withdrawal</b>            | 1,000 units or such other amount as we may decide from time to time.   | 24   |
| <b>Minimum balance</b>               | 10,000 units or such other amount as we may decide from time to time.  | 25   |
| <b>Regular Savings Plan</b>          | RSP is available. It allows you to make regular monthly investments of RM 500 or more, direct from your account held with a bank approved by us or our Distributors. The minimum initial investment for the RSP is RM10,000 or such other amount as we may decide from time to time.   | 24   |
| <b>Cooling-off period</b>            | Six (6) Business Days from the date the complete application is received and accepted by us or our Distributors from the first time investor. 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.  | 25   |
| <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> You may negotiate to lower the amount for your switch with us or our Distributors. | 25   |
| <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.   | 26   |

**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.

**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 Information Memorandum before investing and keep the Information Memorandum 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 PFG, CIMB Group and the Trustee do not guarantee the repayment of capital.

## CLASS INFORMATION

| Class USD             |  | Page |
|-----------------------|--|------|
| Currency denomination | USD  |      |
| Distribution policy   | Depending on the level of income (if any) that the Fund generates, the Class will distribute on a quarterly basis. If the distribution available is too small or insignificant, any distribution may not be of benefit to the Unit holders 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 the Unit holders. | 26   |

## FEES & CHARGES

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

| Charges  | Class USD   | Page |
|--|---|------|
| Application Fee  | Principal Distributors : Up to 6.50% of the NAV per unit.<br>IUTAs : Up to 5.50% of the NAV per unit.   | 18   |
| Withdrawal Fee   | Nil.  | 18   |
| Dilution fee   | Nil.  |      |
| 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 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. In addition, we may impose USD35 administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fees with us or our Distributors. We also have the discretion to waive the Switching Fee and/or administrative fees. | 18   |
| Transfer Fee   | A maximum of USD15 may be charged for each transfer.  | 19   |
| 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 you.   |      |

**All fees and charges payable by you 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 Information Memorandum.**

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

| Fees                                 | Class USD   | Page |
|--------------------------------------|---|------|
| Management Fee                       | Up to 1.80% per annum of the NAV of the Class   | 18   |
| Trustee Fee                          | Up to 0.04% per annum (including local custodian fee but excluding foreign sub-custodian fees and charges) on the NAV of the Fund.  | 19   |
| 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.  | 19   |
| Other fees payable indirectly by you | Other fees indirectly incurred by a feeder fund such as dilution adjustment, annual depositary fees and transaction fees of the Target Fund. As such, Unit holders are indirectly bearing the dilution adjustment, depositary fees and transaction fees charged at the Target Fund level. | 19   |

**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 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 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.

All fees and charges payable by 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 Information Memorandum.

We have the discretion to amend the amount, rate and/or terms and conditions for the above-mentioned fees and charges 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>    | USD 2,000 or such other amount as we may decide from time to time.  | 24   |
| <b>Minimum additional investment</b> | USD 1,000 or such other amount as we may decide from time to time.  | 24   |
| <b>Minimum withdrawal</b>            | 1,000 units or such other amount as we may decide from time to time.  | 24   |
| <b>Minimum balance</b>               | 2,000 units or such other amount as we may decide from time to time.  | 25   |
| <b>Regular Savings Plan</b>          | Currently, RSP is not available for this Class.   | 24   |
| <b>Cooling-off period</b>            | Six (6) Business Days from the date the complete application is received and accepted by us or our Distributors from the first time investor. 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.   | 25   |
| <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> | 25   |
| <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.  | 26   |

**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.

**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 AUD-HEDGED**

This section is only a summary of the salient information about Class AUD-Hedged. You should read and understand the entire Information Memorandum before investing and keep the Information Memorandum 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 PFG, CIMB Group and the Trustee do not guarantee the repayment of capital.

## CLASS INFORMATION

| Class AUD-Hedged      |  | Page |
|-----------------------|--|------|
| Currency denomination | AUD  |      |
| Distribution policy   | Depending on the level of income (if any) that the Fund generates, the Class will distribute on a quarterly basis. If the distribution available is too small or insignificant, any distribution may not be of benefit to the Unit holders 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 the Unit holders. | 26   |

## FEES & CHARGES

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

| Charges  | Class AUD-Hedged  | Page |
|--|---|------|
| Application Fee  | Principal Distributors : Up to 6.50% of the NAV per unit.<br>IUTAs : Up to 5.50% of the NAV per unit.   | 18   |
| Withdrawal Fee   | Nil.  | 18   |
| Dilution fee   | Nil.  |      |
| 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 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. In addition, we may impose AUD35 administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fees with us or our Distributors. We also have the discretion to waive the Switching Fee and/or administrative fees. | 18   |
| Transfer Fee   | A maximum of AUD15 may be charged for each transfer.  | 19   |
| 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 you.   |      |

**All fees and charges payable by you 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 Information Memorandum.**

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

| Fees                                 | Class AUD-Hedged  | Page |
|--------------------------------------|---|------|
| Management Fee                       | Up to 1.80% per annum of the NAV of the Class   | 18   |
| Trustee Fee                          | Up to 0.04% per annum (including local custodian fee but excluding foreign sub-custodian fees and charges) on the NAV of the Fund.  | 19   |
| 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.  | 19   |
| Other fees payable indirectly by you | Other fees indirectly incurred by a feeder fund such as dilution adjustment, annual depositary fees and transaction fees of the Target Fund. As such, Unit holders are indirectly bearing the dilution adjustment, depositary fees and transaction fees charged at the Target Fund level. | 19   |

**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 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 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.

**All fees and charges payable by 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 Information Memorandum.**

**We have the discretion to amend the amount, rate and/or terms and conditions for the above-mentioned fees and charges 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 AUD-Hedged   | Page |
|--------------------------------------|--|------|
| <b>Minimum initial investment</b>    | AUD 2,000 or such other amount as we may decide from time to time.   | 24   |
| <b>Minimum additional investment</b> | AUD 1,000 or such other amount as we may decide from time to time.   | 24   |
| <b>Minimum withdrawal</b>            | 1,000 units or such other amount as we may decide from time to time.   | 24   |
| <b>Minimum balance</b>               | 2,000 units or such other amount as we may decide from time to time.   | 25   |
| <b>Regular Savings Plan</b>          | Currently, RSP is not available for this Class.  | 24   |
| <b>Cooling-off period</b>            | Six (6) Business Days from the date the complete application is received and accepted by us or our Distributors from the first time investor. 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.  | 25   |
| <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> You may negotiate to lower the amount for your switch with us or our Distributors. | 25   |
| <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.   | 26   |

**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.

**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 GBP-HEDGED**

This section is only a summary of the salient information about Class GBP-Hedged. You should read and understand the entire Information Memorandum before investing and keep the Information Memorandum 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 PFG, CIMB Group and the Trustee do not guarantee the repayment of capital.

## CLASS INFORMATION

| Class GBP-Hedged             | Page   |
|------------------------------|--|
| <b>Currency denomination</b> | GBP  |
| <b>Distribution policy</b>   | Depending on the level of income (if any) that the Fund generates, the Class will distribute on a quarterly basis. If the distribution available is too small or insignificant, any distribution may not be of benefit to the Unit holders 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 the Unit holders. |

## FEES & CHARGES

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

| Charges   | Class GBP-Hedged  | Page |
|---|---|------|
| <b>Application Fee</b>  | <b>Principal Distributors</b> : Up to 6.50% of the NAV per unit.<br><b>IUTAs</b> : Up to 5.50% of the NAV per unit.   | 18   |
| <b>Withdrawal Fee</b>   | Nil.  | 18   |
| <b>Dilution fee</b>   | Nil.  |      |
| <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 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. In addition, we may impose GBP35 administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fees with us or our Distributors. We also have the discretion to waive the Switching Fee and/or administrative fees. | 18   |
| <b>Transfer Fee</b>   | A maximum of GBP15 may be charged for each transfer.  | 19   |
| <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.   |      |

**All fees and charges payable by you 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 Information Memorandum.**

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

| Fees  | Class GBP-Hedged  | Page |
|---|---|------|
| <b>Management Fee</b>                       | Up to 1.80% per annum of the NAV of the Class   | 18   |
| <b>Trustee Fee</b>                          | Up to 0.04% per annum (including local custodian fee but excluding foreign sub-custodian fees and charges) on the NAV of the Fund.  | 19   |
| <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.  | 19   |
| <b>Other fees payable indirectly by you</b> | Other fees indirectly incurred by a feeder fund such as dilution adjustment, annual depositary fees and transaction fees of the Target Fund. As such, Unit holders are indirectly bearing the dilution adjustment, depositary fees and transaction fees charged at the Target Fund level. | 19   |

**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 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 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.

**All fees and charges payable by 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 Information Memorandum.**

**We have the discretion to amend the amount, rate and/or terms and conditions for the above-mentioned fees and charges 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 GBP-Hedged   | Page |
|--------------------------------------|--|------|
| <b>Minimum initial investment</b>    | GBP 2,000 or such other amount as we may decide from time to time.   | 24   |
| <b>Minimum additional investment</b> | GBP 1,000 or such other amount as we may decide from time to time.   | 24   |
| <b>Minimum withdrawal</b>            | 1,000 units or such other amount as we may decide from time to time.   | 24   |
| <b>Minimum balance</b>               | 2,000 units or such other amount as we may decide from time to time.   | 25   |
| <b>Regular Savings Plan</b>          | Currently, RSP is not available for this Class.  | 24   |
| <b>Cooling-off period</b>            | Six (6) Business Days from the date the complete application is received and accepted by us or our Distributors from the first time investor. 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.  | 25   |
| <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> You may negotiate to lower the amount for your switch with us or our Distributors. | 25   |
| <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.   | 26   |

**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.

**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 MYR - HEDGED**

This section is only a summary of the salient information about Class MYR-Hedged. You should read and understand the entire Information Memorandum before investing and keep the Information Memorandum 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 PFG, CIMB Group and the Trustee do not guarantee the repayment of capital.

## CLASS INFORMATION

| Class MYR-Hedged      |  | Page |
|-----------------------|--|------|
| Currency denomination | MYR  |      |
| Distribution policy   | Depending on the level of income (if any) that the Fund generates, the Class will distribute on a quarterly basis. If the distribution available is too small or insignificant, any distribution may not be of benefit to the Unit holders 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 the Unit holders. | 26   |

## FEES & CHARGES

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

| Charges  | Class MYR-Hedged  | Page |
|--|---|------|
| Application Fee  | Principal Distributors : Up to 6.50% of the NAV per unit.<br>IUTAs : Up to 5.50% of the NAV per unit.   | 18   |
| Withdrawal Fee   | Nil.  | 18   |
| Dilution fee   | Nil.  |      |
| 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 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. In addition, we may impose RM100 administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fees with us or our Distributors. We also have the discretion to waive the Switching Fee and/or administrative fees. | 18   |
| Transfer Fee   | A maximum of RM50 may be charged for each transfer.   | 19   |
| 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 you.   |      |

**All fees and charges payable by you 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 Information Memorandum.**

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

| Fees                                 | Class MYR-Hedged  | Page |
|--------------------------------------|---|------|
| Management Fee                       | Up to 1.80% per annum of the NAV of the Class   | 18   |
| Trustee Fee                          | Up to 0.04% per annum (including local custodian fee but excluding foreign sub-custodian fees and charges) on the NAV of the Fund.  | 19   |
| 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.  | 19   |
| Other fees payable indirectly by you | Other fees indirectly incurred by a feeder fund such as dilution adjustment, annual depositary fees and transaction fees of the Target Fund. As such, Unit holders are indirectly bearing the dilution adjustment, depositary fees and transaction fees charged at the Target Fund level. | 19   |

**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 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 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.

**All fees and charges payable by 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 Information Memorandum.**

**We have the discretion to amend the amount, rate and/or terms and conditions for the above-mentioned fees and charges 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-Hedged   | Page |
|--------------------------------------|--|------|
| <b>Minimum initial investment</b>    | RM 10,000 or such other amount as we may decide from time to time.   | 24   |
| <b>Minimum additional investment</b> | RM 500 or such other amount as we may decide from time to time.  | 24   |
| <b>Minimum withdrawal</b>            | 1,000 units or such other amount as we may decide from time to time.   | 24   |
| <b>Minimum balance</b>               | 10,000 units or such other amount as we may decide from time to time.  | 25   |
| <b>Regular Savings Plan</b>          | RSP is available. It allows you to make regular monthly investments of RM 500 or more, direct from your account held with a bank approved by us or our Distributors. The minimum initial investment for the RSP is RM 10,000 or such other amount as we may decide from time to time.  | 24   |
| <b>Cooling-off period</b>            | Six (6) Business Days from the date the complete application is received and accepted by us or our Distributors from the first time investor. 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.  | 25   |
| <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> You may negotiate to lower the amount for your switch with us or our Distributors. | 25   |
| <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.   | 26   |

**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.

**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 SGD-HEDGED**

This section is only a summary of the salient information about Class SGD-Hedged. You should read and understand the entire Information Memorandum before investing and keep the Information Memorandum 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 PFG, CIMB Group and the Trustee do not guarantee the repayment of capital.

## CLASS INFORMATION

| Class SGD-Hedged      |  | Page |
|-----------------------|--|------|
| Currency denomination | SGD  |      |
| Distribution policy   | Depending on the level of income (if any) that the Fund generates, the Class will distribute on a quarterly basis. If the distribution available is too small or insignificant, any distribution may not be of benefit to the Unit holders 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 the Unit holders. | 26   |

## FEES & CHARGES

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

| Charges  | Class SGD-Hedged  | Page |
|--|---|------|
| Application Fee  | Principal Distributors : Up to 6.50% of the NAV per unit.<br>IUTAs : Up to 5.50% of the NAV per unit.   | 18   |
| Withdrawal Fee   | Nil.  | 18   |
| Dilution fee   | Nil.  |      |
| 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 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. In addition, we may impose SGD35 administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fees with us or our Distributors. We also have the discretion to waive the Switching Fee and/or administrative fees. | 18   |
| Transfer Fee   | A maximum of SGD15 may be charged for each transfer.  | 19   |
| 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 you.   |      |

**All fees and charges payable by you 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 Information Memorandum.**

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

| Fees                                 | Class SGD-Hedged  | Page |
|--------------------------------------|---|------|
| Management Fee                       | Up to 1.80% per annum of the NAV of the Class   | 18   |
| Trustee Fee                          | Up to 0.04% per annum (including local custodian fee but excluding foreign sub-custodian fees and charges) on the NAV of the Fund.  | 19   |
| 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.  | 19   |
| Other fees payable indirectly by you | Other fees indirectly incurred by a feeder fund such as dilution adjustment, annual depositary fees and transaction fees of the Target Fund. As such, Unit holders are indirectly bearing the dilution adjustment, depositary fees and transaction fees charged at the Target Fund level. | 19   |

**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 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 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.

**All fees and charges payable by 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 Information Memorandum.**

**We have the discretion to amend the amount, rate and/or terms and conditions for the above-mentioned fees and charges 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 SGD-Hedged  | Page |
|--------------------------------------|---|------|
| <b>Minimum initial investment</b>    | SGD 2,000 or such other amount as we may decide from time to time.  | 24   |
| <b>Minimum additional investment</b> | SGD 1,000 or such other amount as we may decide from time to time.  | 24   |
| <b>Minimum withdrawal</b>            | 1,000 units or such other amount as we may decide from time to time.  | 24   |
| <b>Minimum balance</b>               | 2,000 units or such other amount as we may decide from time to time.  | 25   |
| <b>Regular Savings Plan</b>          | Currently, RSP is not available for this Class.   | 24   |
| <b>Cooling-off period</b>            | Six (6) Business Days from the date the complete application is received and accepted by us or our Distributors from the first time investor. 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.   | 25   |
| <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> | 25   |
| <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.  | 26   |

**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.

**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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