

Prospectus

1 April 2020

Principal Global Titans Fund

(formerly known as CIMB-Principal Global Titans Fund)

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

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

THIS IS A REPLACEMENT PROSPECTUS. THIS PROSPECTUS IS ISSUED TO REPLACE AND/OR SUPERSEDE THE PROSPECTUS ISSUE NO. M2 OF THE CIMB-PRINCIPAL GLOBAL TITANS FUND DATED 25 JANUARY 2017.

This Prospectus Issue No. M3 for the Principal Global Titans Fund is dated 1 April 2020.

This Fund was constituted on 11 July 2005.

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

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE “RISK FACTORS” COMMENCING ON PAGE 4.

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

ABOUT THIS DOCUMENT

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

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

Unless otherwise indicated, any reference in this Prospectus to any legislation, statute or statutory provision is a reference to that legislation, statute or statutory provision for the time being, as amended or re-enacted, and to any repealed legislation, statute or statutory provision which is re-enacted (with or without modification).

Any reference to a time or day in this Prospectus shall be a reference to that time or day in Malaysia, unless otherwise stated.

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

PROSPECTUS DETAILS

Issue No.	M3
Prospectus Date	1 April 2020

RESPONSIBILITY STATEMENTS

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

STATEMENTS OF DISCLAIMER

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

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

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

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

ADDITIONAL STATEMENTS

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

DEFINITIONS

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

Application Fee	- Preliminary charge on each investment.
ASEAN	- Association of Southeast Asian Nations.
Business Day	- Mondays to Fridays when Bursa Malaysia Securities Berhad is open for trading, and/or banks in Kuala Lumpur and/or Selangor are open for business. Note: We may declare certain Business Days to be a non-Business Day if the Fund's investment in foreign markets which are closed for business or suspended is at least 50% of the Fund's NAV. This information will be communicated to you via our website at http://www.principal.com.my . Alternatively, you may contact our Customer Care Centre at (03) 7718 3000.
CIMB Group	- CIMB Group Sdn. Bhd.
Class(es)	- Any class of units representing similar interest in the assets of the Fund.
Class MYR	- The Class of units issued by the Fund denominated in MYR.
Class USD	- The Class of units issued by the Fund denominated in USD.
CMSA	- Capital Markets and Services Act 2007.
Deed	- The principal deed and all supplemental deed in respect of the Fund made between us and the Trustee, in which Unit holders of the Fund agree to be bound by the provisions of the Deed.
Deposit	- Refers to placement of fixed deposit with financial institution with maturities ranging from one (1) day to one (1) year, being 365 days or 366 days in the event of a leap year.
Distributors	- Any relevant persons and bodies appointed by Principal Malaysia from time to time, who are responsible for selling units of the Fund including Principal Distributors and IUTAs.
Eligible Market	- A market which is regulated by a regulatory authority, operates regularly, is open to the public and has adequate liquidity for the purposes of the Fund.
ETF	- Exchange-Traded Fund.
EPF	- Employees Provident Fund.
EPF-MIS	- Employees' Provident Fund Members Investment Scheme.
FIMM	- Federation of Investment Managers Malaysia.
Fund or TI-GT	- Principal Global Titans Fund (<i>formerly known as CIMB-Principal Global Titans Fund</i>).
IMS	- Investment Management Standards issued by the Federation of Investment Managers Malaysia.
IOSCO	- International Organization of Securities Commissions; for further details, please refer to http://www.iosco.org .
IUTAs	- Institutional Unit Trust Scheme Advisers.
LPD	- Latest Practicable Date i.e. 31 December 2019, in which all information provided herein shall remain current and relevant as at such date.
Management Fee	- A percentage of the NAV of the Class that is paid to the Manager for managing the portfolio of the Fund.
MCR	- Multi-class ratio, being the apportionment of the NAV of each Class over the Fund's NAV based on the size of each Class. The MCR is calculated by dividing the NAV of the respective Class by the NAV of the Fund before income and expenses for the day. The apportionment is expressed as a ratio and calculated as a percentage.
Medium to long term	- Refers to a period of three (3) years or more.
MSCI	- Morgan Stanley Capital International.
NAV	- Net Asset Value.
NAV of the Fund	- The NAV of the Fund is the value of all the Fund's assets less the value of all the Fund's liabilities, at the point of valuation. For the purpose of computing the annual Management Fee (if any) and annual Trustee Fee (if any), the NAV of the Fund should be inclusive of the Management Fee and Trustee Fee for the relevant day. The NAV of a Class is the NAV of the Fund attributable to a Class at the same valuation point.
NAV per unit	- The NAV attributable to a Class of units divided by the number of units in circulation for that Class, at the valuation point.
OTC	- Over-the-counter.
PGI	- Principal Global Investors, LLC.

PIA	- Principal International (Asia) Ltd.
PFG	- Principal Financial Group and its affiliates.
Principal Distributors	- Refers to the unit trust scheme consultants of Principal Malaysia (authorised Principal Malaysia distributors).
Principal Malaysia or the Manager	- Principal Asset Management Berhad (<i>formerly known as CIMB-Principal Asset Management Berhad</i>).
Principal Singapore	- Principal Asset Management (S) Pte. Ltd. (<i>formerly known as CIMB-Principal Asset Management (S) Pte. Ltd.</i>).
Prospectus	- Refers to this document issued by us describing the details of the Fund.
RM or MYR	- Malaysian Ringgit.
RSP	- Regular Savings Plan.
SC	- Securities Commission Malaysia.
SC Guidelines	- Guidelines on Unit Trust Funds issued by the SC.
S&P	- Standard & Poor's.
Special Resolution	- A resolution passed by a majority of not less than 3/4 of Unit holders voting at a meeting of Unit holders. For the purpose of terminating or winding up a fund or Class, a Special Resolution is passed by a majority in number representing at least 3/4 of the value of the units held by Unit holders voting at the meeting.
Sub-Manager	- A fund management company/ asset management company that assumes all/ or part of the investment function role of the Manager. Currently, the Sub-Manager for the Fund is Principal Singapore.
Switching Fee	- A charge that may be levied when switching is done from one (1) fund or class to another.
Transfer Fee	- A nominal fee levied for each transfer of units from one (1) Unit holder to another.
Transferable Securities	- Refer to: (a) equities and other securities equivalent to equities; and (b) bonds and other forms of securitised debt; but do not include money market instruments or any security the title to which can be transferred only with the consent of a third party.
Trustee or HSBCT	- HSBC (Malaysia) Trustee Berhad.
Trustee Fee	- A percentage of the NAV of the Fund that is paid to the Trustee for its services rendered as trustee for the Fund.
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.
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.
Withdrawal Fee	- A charge levied upon withdrawal under certain terms and conditions (if applicable).

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

CORPORATE DIRECTORY

The Manager

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

Business address

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

Registered address

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

Postal address

Principal Asset Management Berhad
PO Box 10571
50718 Kuala Lumpur Malaysia

Customer Care Centre

50, 52 & 54 Jalan SS 21/39
Damansara Utama
47400 Petaling Jaya
Selangor Malaysia
Tel: (603) 7718 3000
Fax: (603) 7718 3003

Website

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

E-mail

service@principal.com.my

Sub-Manager

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

Business/Registered address

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

The Trustee

HSBC (Malaysia) Trustee Berhad

Business/Registered address

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

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

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1. FUND INFORMATION

1.1. PRINCIPAL GLOBAL TITANS FUND

Fund Category/Type : Equity / Growth

Investment Objective : To grow the value of Unit holders' investments over the Medium to long term in an equity fund that invests in the global titans market of the US, Europe and Japan with an exposure to Malaysian equities market to balance any short term volatilities.
Any material change to the investment objective of the Fund would require your approval.

Benchmark : The benchmark of the Fund is a composite comprising 42% S&P 500 + 36% MSCI Europe + 12% MSCI Japan + 10% CIMB Bank 1-Month Fixed Deposit Rate* for performance comparison. The weightage to the three (3) global titans market is reflective of their relative world market capitalization.

Information on the S&P 500 can be obtained from <http://www2.standardandpoors.com>
Information on the MSCI Indices can be obtained from <http://www.msicbarra.com/products/indices>
Information on the CIMB Bank 1-Month Fixed Deposit Rate can be obtained from <http://www.cimbbank.com.my>
Alternatively, Information on the composite benchmark is also available in our monthly fund fact sheets and can be obtained from <http://www.principal.com.my>.

Note: *The benchmark is customised as such to align it closer to the structure of the portfolio and the objective of the Fund. Thus, investors are cautioned that the risk profile of the Fund is higher than investing in fixed deposits.*

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 15 for information on the distribution payment.

Base Currency & Classes

The base currency of the Fund is MYR.

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

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

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.

Name of Class	Launch Date
Class MYR	18 July 2005
Class USD	25 January 2017

Investment Policy and Principal Investment Strategy

The Fund will invest at least 50% of its NAV in at least three (3) collective investment schemes, subject to a maximum of 98% of its NAV. The Fund may invest in Malaysian securities but only up to 50% of its NAV. The Fund seeks to give investors a broad exposure to three (3) major global developed markets. This will be achieved by investing in collective investment schemes which invest into these three (3) markets (US, Europe and Japan). The Fund will at all times be invested in the collective investment schemes, each covering separate geographic regions thus providing diversification and allowing a greater spread of risk. The allocation between the collective investment schemes is done through a combination of macroeconomic data, liquidity trends and the outlook to overweight or underweight a particular collective investment schemes. This enables the Fund to exploit the investment opportunities provided by developed economies, which are not found in the emerging markets.

The asset allocation strategy for this Fund is as follows:

- between 50% to 98% (both inclusive) of the Fund's NAV in collective investment schemes with exposure in US, Europe and Japan; and
- investments in Malaysian securities: up to 50% of the Fund's NAV.

The collective investment schemes that the Fund invested in includes but not limited to the **PGI Funds European Equity Fund** which aims to provide capital growth over the Medium to long term through investment in equity securities of companies domiciled or with their core business in Europe (including Eastern Europe).

The choice for the PGI Funds European Equity Fund is due to PGI's ability to provide the following:

- 1) Exposure to investment opportunities in developed markets such as Europe.
- 2) It possess good track records. Generally, the PGI Fund is managed to outperform its benchmark.
- 3) Ride on the expertise of our shareholder, PFG.

PGI Funds is a UCITS Umbrella Unit Trust established under the laws of Ireland. The manager of the fund is Principal Global Investors (Ireland) Limited which was incorporated in Ireland on 22 March 1999 and is ultimately a wholly-owned subsidiary of PFG. PGI is the investment advisers of the funds. PFG, through its subsidiaries, is a shareholder of Principal Malaysia.

We have appointed Principal Singapore, a company incorporated in Singapore, as the Sub-Manager of the Fund. The Sub-Manager will be responsible for investing and managing the Fund in accordance with the investment objective and within the investment restrictions. Nevertheless, we are equally responsible for the investments of the Fund. All costs of this appointment will be borne by us to ensure no additional fee is levied on the Unit holders. The Sub-Manager will actively decide on the asset allocation between the US, Europe and Japan, based on the outlook of the different geographical markets as well as domestic interest rate trends. Based on the Sub-Manager's global outlook on the economy and financial markets generally, as well as relative market valuation, the Sub-Manager may also invest in Malaysian securities in order to balance any short-term volatilities. The Sub-Manager may opt to invest in Malaysian securities either directly or via collective investment schemes.

The Sub-Manager reserves the right to change the asset allocation and/or the investment strategy (including, but not limited to the investment in foreign mutual funds), provided that the changes are at all times in accordance with the objectives of the Fund.

As part of its risk management strategy, the Sub-Manager may vary the Fund's asset allocation in the collective investment schemes between 50%-98% in line with its outlook. In addition, the Fund is constructed and managed within pre-determined guidelines. The Sub-Manager employs an active asset allocation strategy depending upon the equity market expectations. Where appropriate, the Sub-Manager will also employ an active trading strategy in managing the Fund.

In response to adverse conditions and as part of its risk management strategy, the Sub-Manager may from time to time reduce its proportion of higher risk assets, such as equities and increase its asset allocation to lower risk assets, such as debentures and liquid assets, to safeguard the investment portfolio of the Fund provided that such investments are within the investment objective of the Fund. When deemed necessary, the Sub-Manager may also utilize derivative instruments subject to the SC Guidelines, which include but not limited to options, futures contracts, forward contracts and swaps for the purpose of hedging.

If the Fund is eligible to be invested via the EPF-MIS, investments made by the Fund will be subject to the EPF's requirements. Please note that there may be changes to the status of the eligibility of the Fund under the EPF-MIS from time to time. Please refer to our website at <http://www.principal.com.my> or <http://www.kwsp.gov.my> for updated information.

1.2. PERMITTED INVESTMENTS

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

- Equities, debentures and warrants traded in or under the rules of an Eligible Market. For securities listed or traded on foreign markets, the regulatory authority must be an ordinary or associate member of the IOSCO;
- Unlisted securities including securities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing or quotation and are offered directly to the Fund by the issuer;
- Deposits and money market instruments;
- Derivative instruments, including but not limited to options, futures contracts, forward contracts and swaps for the purpose of hedging;
- All types of collective investment schemes that is in line with the Fund's objective;
- Structured products; and
- Any other form of investments as may be permitted by the SC from time to time.

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

1.3. INVESTMENT RESTRICTIONS AND LIMITS

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

Exposure Limit

The value of the Fund's investment in unlisted securities must not exceed 10% of the Fund's NAV.

Investment spread limits

- the value of the Fund's investment in ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV;
- the value of the Fund's investments in Transferable Securities and money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV;
- the value of the Fund's placement in Deposits with any single institution must not exceed 20% of the Fund's NAV;
- the Fund's exposure from derivatives positions should not exceed the Fund's NAV. Further,
 - (i) the exposure to the underlying assets must not exceed the investment spread limits stipulated in the SC Guidelines; and
 - (ii) the value of the Fund's OTC derivative transaction with any single counter-party must not exceed 10% of the Fund's NAV;
- the value of the Fund's investment in structured products issued by a single counter-party must not exceed 15% of the Fund's NAV;
- the aggregate value of the Fund's investments in Transferable Securities, money market instruments, Deposits, OTC derivatives and structured products issued by or placed with (as the case may be) any single issuer/institution must not exceed 25% of the Fund's NAV ^{Note 1};
- the value of the Fund's investment in units/shares of any collective investment scheme must not exceed 20% of the Fund's NAV ^{Note 2};
- the value of the Fund's investment in Transferable Securities and money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV.

Note 1:

On 14 July 2005, we have obtained the approval from the SC for a variation to Clause 2.0(2) of Schedule C – Appendix 1 of the SC Guidelines which allow the Fund to invest more than 15% of the Fund's NAV in the securities/instruments of any single issuer.

However, following the revised SC Guidelines dated 24 May 2017, the variations should read as following:

We have obtained approval from the SC for a variation to Clause 9 of Schedule B of the SC Guidelines which allows the Fund to invest more than 25% of the Fund's NAV in securities/instruments of any single issuer.

Note 2:

On 17 June 2005, we have obtained the approval from the SC for a variation to Clause 1.0(3) of Schedule C – Appendix 1 of the SC Guidelines which allow the Fund to invest more than 10% of the Fund's NAV in other collective investment schemes.

However, following the revised SC Guidelines dated 24 May 2017, the variations should read as following:

We have obtained the approvals from the SC for a variation to Clause 10 of Schedule B to the SC Guidelines which allows the Fund to invest more than 20% of the Fund's NAV in other collective investment schemes.

Investment concentration limits

- the Fund's investments in Transferable Securities (other than debentures) must not exceed 10% of the securities issued by any single issuer;
- the Fund's investments in debentures must not exceed 20% of the debentures issued by any single issuer;
- the Fund's investments in money market instruments must not exceed 10% of the instruments issued by any single issuer. This limit does not apply to money market instruments that do not have a pre-determined issue size;
- the Fund's investments in collective investment schemes must not exceed 25% of the units/shares in any one collective investment scheme.

Minimum requirement for liquid assets

Liquid assets include Deposits with licensed financial institutions, money market instruments and debentures with a remaining maturity of less than one (1) year. They Fund may hold a minimum of 2.00% of its NAV (or such other amount agreed by both the Manager and the Trustee from time to time) in liquid assets.

1.4. APPROVALS AND CONDITIONS

On 14 July 2005, we have obtained the approval from the SC for a variation to Clause 2.0(2) of Schedule C – Appendix 1 of the SC Guidelines which allow the Fund to invest more than 15% of the Fund's NAV in the securities/instruments of any single issuer.

However, following the revised SC Guidelines dated 24 May 2017, the variations should read as following:

We have obtained approval from the SC for a variation to Clause 9 of Schedule B of the SC Guidelines which allows the Fund to invest more than 25% of the Fund's NAV in securities/instruments of any single issuer.

On 17 June 2005, we have obtained the approval from the SC for a variation to Clause 1.0(3) of Schedule C – Appendix 1 of the SC Guidelines which allow the Fund to invest more than 10% of the Fund's NAV in other collective investment schemes.

However, following the revised SC Guidelines dated 24 May 2017, the variations should read as following:

We have obtained the approvals from the SC for a variation to Clause 10 of Schedule B to the SC Guidelines which allows the Fund to invest more than 20% of the Fund's NAV in other collective investment schemes.

1.5. BORROWINGS/ FINANCING

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

1.6. SECURITIES LENDING

The Fund may participate in the lending of securities within the meaning of the Guidelines on Securities Borrowing and Lending issued by the SC when we find it appropriate to do so with a view of generating additional income for the Fund with an acceptable degree of risk.

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

1.7. RISK FACTORS

1.7.1. GENERAL RISKS OF INVESTING IN A UNIT TRUST FUND

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

Returns not guaranteed

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

Market risk

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

Inflation risk

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

Manager risk

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

Financing risk

This risk occurs when you 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 prices of units fall below a certain level due to market conditions. Failing which, the units may be sold at a lower net asset value per unit as compared to the net asset value per unit at the point of purchase towards settling the loan.

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

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

Stock specific risk

Prices of a particular stock may fluctuate in response to the circumstances affecting individual companies such as adverse financial performance, news of a possible merger or loss of key personnel of a company. Any adverse price movements of such stock will adversely affect the Fund's NAV.

Country risk

Investments of the Fund in any countries may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund invests in. For example, the deteriorating economic condition of such countries may adversely affect the value of the investments undertaken by the Fund in those affected countries. This in turn may cause the NAV of the Fund or prices of units to fall.

Currency risk

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

Currency risk at the Fund's portfolio level

As the investments of the Fund may be denominated in currencies other than base currency, any fluctuation in the exchange rate between the base currency and the currencies in which the investments are denominated may have an impact on the value of these investments. You should be aware that if the currencies in which the investments are denominated depreciate against the base currency, this will have an adverse effect on the NAV of the Fund and vice versa. You should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.

Currency risk at the Class level

As this Fund is a multi-class fund, there are Classes denominated in currencies other than the base currency. The impact of the exchange rate movement between the base currency of the Fund and the denominated currency of the respective Classes may lead to a depreciation of the value of your holding as expressed in the currency denomination of the respective Class(es).

You should realise that currency risk is considered as one of the major risks due to the volatile nature of the foreign exchange market. We do not seek to mitigate the currency risk. Hence, you should be prepared to assume the currency risk.

Fund manager's risk

Since the Fund invests into collective investment scheme managed by another manager, the target fund's manager 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 and/or the management company, 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 will seek for an alternative collective investment scheme that is consistent with the objective of this Fund.

Credit and default risk

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

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

2. FEES, CHARGES AND EXPENSES

2.1. CHARGES

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

2.1.1. Application Fee

When applying unit of the Class, you may be charged an Application Fee based on the NAV per unit of the respective Class. Please refer to the Annexure of the respective Class for further information. If you invest via EPF-MIS (where available), you may be charged an Application Fee of up to 3.00% of the NAV per unit, or such other rate as may be determined by the EPF.

Below is an illustration on how the Application Fee is calculated

	Class ABC (Denominated in USD)	Class XYZ (Denominated in MYR)
1. Investment amount	USD 10,000	MYR 10,000
2. NAV per unit	USD 1.0000	MYR 1.0000
3. Application Fee (NAV per unit)	5.5%	5.5%
Units issued to Unit holder = $\frac{\text{Investment amount}}{\text{NAV per unit}}$	= $\frac{\text{USD 10,000.00}}{\text{USD 1.0000}}$ = 10,000 Units	= $\frac{\text{MYR 10,000.00}}{\text{MYR 1.0000}}$ = 10,000 Units
Application Fee per Unit = NAV per unit x Application Fee (%)	= USD 1.0000 x 5.5% = USD 0.055	= MYR 1.0000 x 5.5% = MYR 0.055
Total Application Fee	= 10,000 Units x USD 0.055 = USD 550.00	= 10,000 Units x MYR 0.055 = MYR 550.00

Please note that the above example is for illustration purpose only.

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

2.1.2. Dilution Fee

The Fund does not charge dilution fee. However, the target fund that the Fund invests in may apply anti-dilution levy.

Dilution fee is an allowance for fiscal and other charges that is added to (for application for units) or deducted from (for redemption of units) the net asset value per unit to reflect the costs of investing application monies in or cost of disposal of the underlying assets of the target fund. The dilution fee is intended to be used to ensure that all investors in the target fund are treated equitably by allocating transaction costs to the investors whose transactions give rise to those costs. If the target fund apply anti-dilution levy, the Fund may invest into the target Fund with an adjusted NAV per unit.

2.1.3. Withdrawal Fee

NIL.

2.1.4. Switching Fee

Switching is treated as a withdrawal from a Class and an investment into another Class or Principal Malaysia's fund (or its classes). 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 classes). Switching Fee will not be charged if the Class or Principal Malaysia's fund (or its classes) to be switched into has a lower Application Fee. In addition, you may be charged admin fee for each switch. However, we have the discretion to waive the Switching Fee and/or administrative fees. Please refer to the Annexure of the respective Class for further information.

2.1.5. Transfer Fee

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

2.2. FEES AND EXPENSES

All expenses of the Fund will generally be apportioned to each Class currently available for sale based on the MCR except for those that is related to the specific Class only, such as, the costs and/or benefits from currency hedging of the respective Classes and the cost of Unit holders meeting held in relation to the respective Class. If in doubt, you should consult your professional advisers for better understanding.

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

2.2.1. Management Fee

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

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

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

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

When the Fund invests in ETFs or other collective investment schemes managed by Principal Malaysia:

- all initial charges on those ETFs or other collective investment schemes must be waived; and
- Management Fee must only be charged once, either at the Fund level or the ETF or other collective investment scheme level.

2.2.2. Trustee Fee

Please note that the Trustee Fee charged to the Fund is based on the NAV of the Fund. The Trustee Fee shall be accrued daily and paid monthly.

The Trustee Fee is up to 0.07% per annum for the Fund.

Below is an illustration on how the Trustee Fee is calculated, assuming the NAV of the Fund is MYR 150 million:-

$$\begin{aligned}
 \text{Trustee Fee for the day} &= \text{NAV of the Fund} \times \text{annual Trustee Fee rate for the Fund (\%)} / 365 \text{ days} \\
 &= \text{MYR 150 million} \times 0.07\% \text{ per annum} / 365 \text{ days} \\
 &= \text{MYR 287.67}
 \end{aligned}$$

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

2.2.3. Other Expenses

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

- expenses incurred in the sale, purchase, insurance, custody and any other dealings of investments including commissions/fees paid to brokers and 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, the purchasing of stationery and postage for the annual and interim reports;
- tax and other duties imposed by the government and other authorities and bank fees;
- tax agent's and auditor's fees and expenses;
- valuation fees paid to independent valuers for the benefit of the Fund;
- costs incurred in modifying the Deeds for your benefit;
- cost of convening and holding meetings of Unit holders (other than those convened for our or the Trustee's benefit); and
- all costs, bank charges and expenses related to income distribution of the Fund; for example, postage and printing of all cheques, statements and notices to Unit holders of the Fund.

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

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

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

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

2.3. REBATES AND SOFT COMMISSIONS

We, the Sub-Manager and the Trustee (including their officers) 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 from time to time. As a result of changes in any rule, regulation, directive, notice and/or law issued by the government or relevant authority, there may be additional cost to the fees, expenses, charges and/or taxes payable to and/or by the Fund or you as disclosed or illustrated in the Prospectus.

We have the discretion to amend the amount, rate and/or terms and conditions for the above-mentioned fees, charges and expenses from time to time, subject to the requirements stipulated in the Deed of the Fund and/or SC Guidelines. Where necessary, the amendments will be notified to the Trustee. We will communicate to you if there are any amendments to the fees and charges.

3. TRANSACTION INFORMATION

3.1. VALUATION OF INVESTMENTS PERMITTED BY THE FUND

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

- **Listed securities**

The value of any authorised investments, which are quoted on an approved exchange, shall be calculated daily by reference to the last transacted price on that approved exchange. If the last transacted price does not represent the fair value of the securities, then the securities shall be valued at fair price as determined in good faith by us, based on the methods or bases approved by the Trustee after appropriate technical consultation, such as the mean of bid and offer prices at the close of trading. Suspended securities will be valued at their last done price unless there is conclusive evidence to show that the value has gone below the suspended price or where the quotation of the securities has been suspended for a period exceeding fourteen (14) days or such shorter period as determined by the trustee, whereupon their fair value will be determined in good faith by us based on the methods or bases verified by the auditor of the Fund and approved by the Trustee after appropriate technical consultation.

- **Unlisted securities**

The value of any unlisted RM-denominated bonds shall be calculated on a daily basis using prices quoted by a bond pricing agency (“BPA”) registered with the SC. Where such prices are not available or where we are of the view that the price quoted by the BPA for a specific bond differs from the market price by more than 20 basis points, we may use the market price by reference to the last available quote provided such quote was obtained within the previous thirty (30) days and we record its basis for using a non-BPA price, obtained necessary internal approvals to use the non-BPA price and keeps an audit trail of all decisions and basis for adopting the market yield.

The value of any unlisted non RM-denominated bonds shall be calculated at least weekly by reference to the average of bid and offer prices quoted by three (3) independent and reputable financial institutions or any alternative valuation basis as may be permitted by the SC from time to time.

- **Collective investment schemes**

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

- **Money market instruments**

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

- **Deposits**

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

If the quotations referred to above are not available or if the value of the permitted investments determined in the manner described above, in our opinion, does not represent a fair value of the permitted investments, then the value shall be any fair value as may be determined in good faith by us. This valuation method shall be verified by the auditor of the Fund and approved by the Trustee.

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

3.2. UNIT PRICING

We adopt a single pricing method for any transactions (i.e. applications, withdrawals, switches and/or transfers) based on forward prices. This means that we will process your transactions request based on the 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. on a Business Day, we will process the transactions using the NAV per unit on the next Business Day.

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

Illustration

For a transaction made by 4:00 p.m. on a Business Day

At the end of the Business Day on 16 March 2020, your units will be based on the NAV per unit on 16 March 2020, which will be calculated on 17 March 2020. The NAV per unit will be made known on our website after 5:30 p.m. on 17 March 2020.

For a transaction made after 4:00 p.m. on a Business Day

At the end of the Business Day on 16 March 2020, your units will be based on the NAV per unit on 17 March 2020, which will be calculated on 18 March 2020. The NAV per unit will be made known on our website after 5:30 p.m. on 19 March 2020.

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

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

The NAV of the Fund is the sum of the value of all investments and cash held by the Fund (calculated in accordance with the Deed) including income derived by the Fund which has not been distributed to you, less all amounts owing or payable in respect of the Fund 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. MYR. As such, all the assets and liabilities of each Class will be translated into MYR for valuation purposes. The foreign exchange rate used for this purpose shall be the bid exchange rate quoted by Bloomberg or Reuters at UK time 4:00 p.m. (Malaysian time 11:00 p.m. or 12:00 a.m.), or such other time as stipulated in the IMS. The NAV per unit of each Class will be the NAV of the Fund attributable to each Class divided by the number of units in circulation of that Class, at the same valuation point.

3.2.1. Multi-class Ratio (MCR)

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

Illustration on computation of NAV of the Fund:

	Fund Total (MYR)	Class ABC (Denominated in USD) (MYR)	Class XYZ (Denominated in MYR) (MYR)
NAV of the Fund before income and expenses	185,942,897	173,342,897	12,600,000
% MCR	100%	⁽¹⁾ 93.22%	⁽¹⁾ 6.78%
Add: Income	30,000	⁽²⁾ 27,966	⁽²⁾ 2,034
Less: Expenses	(10,000)	⁽²⁾ (9,322)	⁽²⁾ (678)
Benefits or costs of hedging (if any)	900	900	-
NAV of the Fund before management and trustee fee	185,963,797	173,362,441	12,601,356
Less: Management fee	(9,170)	(8,549)	(621)
	0.07% p.a.	1.80% p.a.	1.80% p.a.
Less: Trustee fee	(356)	(332)	(24)
NAV of the Fund	185,954,271	173,353,560	12,600,711
Units in Circulation	200,000,000 units	170,000,000 units	30,000,000 units
NAV per unit		1.0197	0.4200
Currency exchange rate		(USD/MYR) 3.6000	N/A

NAV per unit	USD 0.2832	MYR 0.4200
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	Fund (MYR)	Class ABC (Denominated in USD) (MYR)	Class XYZ (Denominated in MYR) (MYR)
NAV of the Fund before creation of units for the day	185,954,271	173,353,560	12,600,711
⁽³⁾ Creation of units	4,600,000	3,600,000	1,000,000
Closing NAV	190,554,271	176,953,560	13,600,711
Units in Circulation	205,912,025.82 units	173,531,073.44 units	32,380,952.38 units
NAV per unit		1.0197	0.4200
Currency exchange rate		(USD/MYR) 0.3600	N/A
NAV per unit		USD 0.2832	MYR 0.4200

Note :

⁽¹⁾ MCR computation

	Class ABC (Denominated in USD) (MYR)	Class XYZ (Denominated in MYR) (MYR)
<u>NAV of the Class x 100</u>	<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%

⁽²⁾Apportionment based on MCR is as follows:

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

⁽³⁾Creation of units

	Class ABC (Denominated in USD)	Class XYZ (Denominated in MYR)
Creation of units	USD 1,000,000	MYR 1,000,000
NAV per unit	USD 0.2832	MYR 0.4200
Number of units	3,531,073.44 units	2,380,952.38 units
Currency exchange rate	(USD/MYR) 0.3600	N/A
Creation of units	MYR 3,600,000	MYR 1,000,000

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

3.2.2. Calculation of investment amount and units entitlement

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

Illustrations:

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

Assumptions:

NAV per unit of Class XYZ denominated in MYR	=	RM0.5000 (truncated to 4 decimal places)
Application Fee	=	5.50%

An investor wishes to invest RM10,000 in the Fund through an IUTA.

Calculation of number of units that you will receive*

= Investment amount / NAV per unit of Class MYR
= RM10,000.00 / RM0.5000
= 20,000.00 units

Calculation of Application Fee that you will incur (to be payable in addition to the amount invested)

= NAV per unit of Class MYR x number of units received x Application Fee rate
= RM0.5000 x 20,000.00 units x 5.50%
= RM550.00

Calculation of total amount that you will have to pay

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

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

Calculation of investment amount

Assuming you have 40,000 units of Class XYZ of the Fund and the NAV per unit of Class XYZ for the day (which will be made known on the following Business Day) is RM0.2630 (truncated to 4 decimal places).

Calculation of investment value

= Number of units x NAV per unit of Class XYZ
= 40,000.00 x RM0.2630
= RM10,520.00

Calculation of withdrawal value and amount payable to you

Assuming you have 80,000 units of Class XYZ, you wish to redeem RM10,000.00 from your investment in the Fund. Your withdrawal request is received by 4:00 p.m. of a Business Day. The NAV per unit for that Business Day (which will be made known on the following Business Day) is RM0.2686 (truncated to 4 decimal places).

Calculation of the number of units withdrawn you withdraw

= Withdrawal value / NAV per unit
= RM10,000.00 / RM0.2686
= 37,230.08 units

Calculation of number of your remaining units

= Units held before withdrawal - Units withdrawn
= 80,000.00 - 37,230.08
= 42,769.92 units

Calculation of amount payable to you

= Withdrawal value
= RM10,000.00

3.3. 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;
 - (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 only where an incorrect pricing:

- (i) is equal or more than 0.50% of the NAV per unit; and
- (ii) results in a sum total of RM10.00 or more to be reimbursed to a Unit holder for each sale or withdrawal transaction.

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

3.4. INVESTING

3.4.1. Who can invest?

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

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

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

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

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

3.4.2. How to invest?

You may invest through any of our Distributors or our head office after completing the relevant application forms and attaching a copy of your identity card, passport or any other identification document. We may request for additional supporting document(s) or information from you. On the application form, please indicate clearly the amount you wish to invest in the Fund. We may introduce other mode of investment from time to time, subject to the approval of the relevant authorities.

You may invest:

- by crossed cheque, banker's draft, money order or cashier's order (made payable as advised by us or our Distributors as the case may be). You will have to bear the applicable bank fees and charges, if any;
- directly from your bank account (or foreign currency bank account, as the case may be) held with our Distributors, where applicable; or
- by such other mode of payment that we and/or the relevant authorities approve from time to time. Any charges, fees and expenses incurred in facilitating such mode of payment shall be borne by you. Such mode of payment is subject to further limit(s), restriction(s) and/or terms and conditions that we and/or the relevant authorities may impose from time to time.

3.4.3. Regular Savings Plan

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

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

We may register units in the name of more than one (1) Unit holder but we have the discretion not to allow registration of more than two (2) joint holders and both applicants must be at least eighteen (18) years of age.

In the event of the demise of a joint holder whether Muslim or non-Muslim, only the surviving joint holder will be recognized as the rightful owner. His/her units will be dealt with in accordance with the Deed and applicable laws and regulations.

3.4.5. Who is distributing this Fund?

The Fund may be distributed via the following channels:

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

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

You are advised not to make payment in cash to any individual agent or employee of Principal Malaysia when purchasing units of a fund.

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

3.5. MINIMUM INVESTMENTS

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

3.5.1. Processing an application

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

3.6. MINIMUM WITHDRAWALS

The minimum 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 the bank account number (or foreign currency bank account, as the case may be) provided by you. Please note that for EPF-MIS (where available), your withdrawal proceeds will be paid to EPF.

3.6.1. Processing a withdrawal

If we receive a complete withdrawal request by 4:00p.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 4:00p.m. on a Business Day, we will process it using the NAV per unit of the Class for the next Business Day (T+1), which will be known on the following Business Day (T+2). The amount that you will receive is calculated by the withdrawal value less the Withdrawal Fee, if any. You will be paid in the currency of the Class (e.g. Class USD will be paid in USD) within ten (10) calendar days, upon receipt of the complete withdrawal request to your bank account and/or foreign currency bank account (as the case may be) in our records (e.g. Class USD investors are required to have a USD foreign currency bank account). You will have to bear the applicable bank fees and charges, if any.

3.7. MINIMUM BALANCE

The minimum balance that must be retained in your account for each Class may differ and may be determined by us from time to time. Please refer to the 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 can withdraw the entire investment and forward the proceeds to you.

3.8. COOLING-OFF PERIOD

You have six (6) Business Days after your initial investment (i.e. the date the complete application is received by us) to reconsider its 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) calendar 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 any of our Distributors. However, Principal Malaysia's staff and person(s) registered with a body approved by the SC to deal in unit trusts are not entitled to the cooling-off right.

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

3.9. SWITCHING

Switching is available between classes of the Fund or between a Class and other Principal Malaysia's funds (or its classes) which should be denominated in the same currency. For information on the availability of switching, please refer to the Annexure of the respective Class.

To switch, simply complete a switch request form and send to our Distributors or our head office. Currently, there is no restriction on the frequency of switches. You may negotiate to lower the amount and/or fees applicable for your switch with us or with our Distributors. However, we have the discretion to allow or to reject any switching into (or out of) a Fund or Class, either generally (for all investors) or specifically (for any particular investor, a group of investors or investments made via any digital platform).

3.9.1. Processing a switch

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

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

3.10. TRANSFER FACILITY

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

3.11. TEMPORARY SUSPENSION

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

3.12. DISTRIBUTION PAYMENT

Depending on the distribution policy of the respective Class, distribution (if any) will be made at the end of each distribution period to the 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 a you in the Class by the cent per unit distribution amount. Once a distribution has been paid, the unit price will adjust accordingly. For information on the distribution policy of each Class, please see Annexure of the respective Class.

All distributions (if any) will be automatically reinvested into additional units in the Class at the NAV per Unit of the Class on the distribution date (the number of units is rounded down to two decimal places), unless written instructions to the contrary are communicated to us and in which case that you shall have first furnished to us with details of your bank account in the currency denomination of that Class into which all distribution payment shall be paid (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 that Class. As such for each Class, the distribution amount may be different as a result of exchange rate movement between the base currency of the Fund and the denominated currency of each Class. Then the distribution will be paid into your bank account (which shall be in the currency of that specific Class) in our records (at your cost and expense).

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

3.13. UNCLAIMED MONEYS

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

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

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

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

4. ADDITIONAL INFORMATION

4.1. FINANCIAL YEAR-END

31 March.

4.2. INFORMATION ON YOUR INVESTMENT

We will send you a written confirmation of:

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

The Fund's annual report is available upon request.

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

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

You can obtain up-to-date fund information and NAV per unit from our monthly fund fact sheets and our website at <http://www.principal.com.my>.

If you have any questions about the information in this Prospectus or would like to know more about investing in this Fund, please contact our **Customer Care Centre** at **(603) 7718 3000** between 8:45 am to 5:45 pm (Malaysian time) on Mondays to Thursdays and between 8:45 a.m. and 4:45 p.m. (Malaysian time) on Fridays (except on Selangor public holidays) or you can email us at service@principal.com.my.

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

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

4.3. DEED

The Fund is governed by a Deed dated 11 May 2016, First Supplemental Deed dated 14 November 2016 and Second Supplemental Deed dated 4 December 2019 including any supplemental deed(s) as may be issued from time to time.

4.4. DOCUMENTS AVAILABLE FOR INSPECTION

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

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

4.5. CONSENT

PricewaterhouseCoopers Taxation Services Sdn Bhd, HSBC (Malaysia) Trustee Berhad and Principal Asset Management (S) Pte Ltd. have given their written consent to act in their respective capacity. They have also given their consent for the inclusion of their names and/or statements and/or reports in the Prospectus in the form and context in which it appears and have not subsequently withdrawn their consent to the inclusion of their names and/or statements and/or reports in the form and context in which it appears in this Prospectus.

4.6. POTENTIAL CONFLICT OF INTERESTS AND RELATED PARTY TRANSACTIONS

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

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

As at LPD, none of our directors and substantial shareholders has either direct or indirect interest in other corporations that carry on a similar business with Principal Malaysia, details of which are as follows:

Director / Shareholder	Position	Shareholding (Direct / Indirect)	Name of corporation
CIMB Group Sdn Bhd	Shareholder	Direct	Principal Islamic Asset Management Sdn Bhd (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 PFG provided that the transactions are effected at market prices and are conducted at arm's lengths.

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

Trustee

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

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

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

Subject to any local regulations, the Trustee and/or its related group of companies may deal with each other, the Fund or any Unit holder or enter into any contract or transaction with each other, the Fund or any Unit holder or retain for its own benefit any profits or benefits derived from any such contract or transaction or act in the same or similar capacity in relation to any other scheme.

4.7. INTERESTS IN THE FUND

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

4.8. EMPLOYEES' SECURITIES DEALINGS

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

5. THE MANAGER

5.1. ABOUT PRINCIPAL ASSET MANAGEMENT BERHAD

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

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

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

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

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

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

5.1.1. The Board of Directors

the Board of Directors consists of nine (9) members including three (3) Independent Directors and one (1) alternate director. The Board of Directors oversees the management and operations of the Principal Malaysia and meets at least four (4) times a year.

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

[#] Alternate director to Pedro Esteban Borda with effect from 8 November 2019.

5.1.2. The Investment Committee

As at LPD, the Investment Committee consists of five (5) members including three (3) independent members. Generally, the Investment Committee meets once a month and is responsible for ensuring that the investment management of the Fund is consistent with the objectives of the Fund, the Deed, the SC Guidelines and relevant securities laws, any internal investment restrictions and policies, as well as acceptable and efficacious investment management practices within the unit trust industry. In this role, the powers and duties of the Investment Committee include formulating and monitoring the implementation of appropriate investment management strategies for the Fund and the measurement and evaluation of the performance.

5.1.3. Designated person responsible for fund management function

The designated person for fund management function for all Principal Malaysia's funds is the Chief Investment Officer:

Name:	Patrick Chang Chian Ping
Designation:	Chief Investment Officer, Malaysia & Chief Investment Officer, Equities, ASEAN Region
Experience:	Patrick Chang joined Principal Malaysia on 22 February 2016 and currently holds the positions of CIO for Malaysia and CIO Equities, ASEAN region effective 1 October 2018. He comes with more than 18 years of experience in asset management. He was previously the Head of ASEAN equities at BNP Paribas Investment Partners, Malaysia where he oversees ASEAN equities for both Malaysian and offshore clients

	from 2012. Prior to that, he served as Senior Vice President for Principal Malaysia where he specialized in Malaysia, ASEAN and Asia specialist funds. He also worked as a portfolio manager at Riggs and Co International Private Banking in London specializing in managing global ETF portfolios and holds the Capital Markets Services Representative Licence.
Qualifications:	MSc Finance from City University Business School and BSc Accounting and Financial Analysis from University of Warwick (Chevening Scholar), UK.

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

6. THE SUB-MANAGER

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

Principal Singapore was appointed as the Sub-Manager for the Fund on 26 December 2007. Principal Malaysia shall be responsible for the review, monitoring and oversight of Principal Singapore in the performance of its duties and obligations in respect of the Fund.

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

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

Board of directors of Principal Singapore :

Christopher Leow	-	Director, Chief Executive Officer & Chief Investment Officer
Alejandro Elias Echegarri Rodriguez	-	Director
Lum Joy Deng	-	Director

Christopher Leow – Director & Chief Investment Officer

Mr Leow joined Principal Malaysia in December 2003 and transferred to Principal Singapore on 2 May 2007. He has more than 20 years of experience in the equities and fund management industry. He is the Chief Investment Officer and a director of Principal Singapore, and is responsible for leading the International Investment team based in Singapore.

Mr Leow is a Chartered Financial Analyst and a Certified Financial Planner. He has been registered with the Monetary Authority of Singapore under the Securities and Futures Act (Cap. 289) as a Representative of Principal Singapore in fund management since September 2007.

Mr Leow holds a Bachelor of Commerce in Accounting and Finance (Hons) from the University of Western Australia.

Alejandro Elias Echegarri Rodriguez – Director

Mr. Echegarri's profile is as disclosed on our website at <http://www.principal.com.my>.

Lum Joy Deng – Director

Ms Lum is a director of Principal Singapore and Head of the Investment unit of Group Ventures and Partnerships in CIMB, and is primarily responsible for managing CIMB Group's private markets portfolio of investments including CIMB's exposure to private equity funds and direct strategic investments. She has extensive transactional experience, having spent 8 years in Corporate Finance in the Investment Banking department of CIMB, focusing on cross-border M&As, divestments, IPOs, fund raising, and corporate restructuring advisory work for clients across Asia Pacific markets covering various industries. Prior to her existing role, she was in CIMB's agribusiness sector team for 2 years, where she advised capital markets-related deals on market trends, financial valuations, competitive analyses, and market positioning within the sector. She sits on the board of various investee companies as non-executive director and is also an active member of the investment committee at various private equity funds managed by CIMB.

Ms Lum graduated with Honours in Accounting and Finance from the University of Nottingham, England.

Key person responsible for investment management of the Fund:

Christopher Leow – Director, Chief Executive Officer & Chief Investment Officer

Mr Leow's profile is disclosed above.

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

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

7. THE TRUSTEE

7.1. ABOUT HSBC (MALAYSIA) TRUSTEE BERHAD

HSBCT is the Trustee of the Principal Global Titans Fund. **HSBCT** is a company incorporated in Malaysia since 1937 and registered as a trust company under the Trust Companies Act 1949, with its registered address at 13th Floor, Bangunan HSBC, South Tower, No. 2, Leboh Ampang, 50100 Kuala Lumpur. Since 1993, the Trustee has acquired experience in the administration of unit trusts.

Roles, Duties and Responsibilities of the Trustee

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 monies paid by an investor for the application of units, the Trustee's responsibility arises when the monies are received in the relevant account of the Trustee 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 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 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 custodian of both the local and foreign assets of the Fund. For quoted and unquoted local investments of the Fund. The assets are held through HSBC Bank Malaysia Berhad and/or HSBC Nominees (Tempatan) Sdn Bhd. The Hongkong And Shanghai Banking Corporation Ltd is a wholly owned subsidiary of HSBC Holdings Plc, the holding company of the HSBC Group. The custodian's comprehensive custody and clearing services cover traditional settlement processing and safekeeping as well as corporate related services including cash and security reporting, income collection and corporate events processing. All investments are registered in the name of the Trustee for the Fund or to the order of the Trustee. The custodian acts only in accordance with instructions from the Trustee.

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

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

7.1.2. Trustee's Disclosure of Material Litigation

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

7.1.3. Trustee's Statement of Responsibility

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

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

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

8. SALIENT TERMS OF DEED

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

You will be recognised as a registered Unit holder in the Class on the Business Day his/her details are entered onto the Register of Unit holders.

8.1. RIGHTS, LIABILITIES AND LIMITATION OF UNIT HOLDERS

8.1.1. Rights

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

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

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

8.1.2. Liabilities

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

8.1.3. 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.

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

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

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

Charges	Descriptions
(1) Application Fee	Up to 5.50% is charged on the NAV per unit.
(2) Withdrawal Fee	Nil.
(3) Switching Fee	<ol style="list-style-type: none"> (a) A fee of up to 0.50% is chargeable on the amount switched for each switch from other equity / balanced funds managed by the Management Company into the Fund; (b) If a switch is made from a money market fund / bond fund into the Fund, maximum fees of up to 5.50% and 3.50%, respectively may be charged in each switch; (c) such other sum as may be determined by the Management Company from time to time.

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

Fees	Descriptions
(1) Management Fee	Up to 1.85% per annum, calculated daily on the NAV.
(2) Trustee Fee	Up to 0.07% per annum, calculated daily on the NAV (including local sub-custodian fees but excluding foreign sub-custodian fees and charges).

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

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

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

8.2.1. Expenses permitted by the Deed

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

- commissions/fees paid to brokers/dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes or difference accounts;
- (where the custodial function is delegated by the Trustee), charges/fees paid to the sub-custodian;
- tax and other duties charged on the Fund by the government and other authorities if any and bank fees;
- the fees and other expenses properly incurred by the Auditor and tax agent;
- remuneration and out of pocket expenses of the independent members of the investment committee of that Fund, unless the Manager decides to bear the same;
- fees for valuation of any investment of the Fund by independent valuers for the benefit of the Fund;
- costs incurred for the modification of the Deed otherwise than for the benefit of the Management Company or the Trustee;
- costs incurred for any meeting of Unit holders other than those convened by, for the benefit of the Management Company or the Trustee;
- the sale, purchase, insurance, custody and any other dealings of investments including commissions/fees paid to brokers;
- costs involved with external specialists approved by the Trustee in investigating and evaluating any proposed investment;
- the engagement of valuers, advisers and contractors of all kinds;
- preparation and audit of the taxation returns and accounts of the Fund;
- termination of the Fund or Class and the retirement or removal of the Trustee or the Management Company and the appointment of a new trustee or management company;
- any proceedings, arbitration or other dispute concerning the Fund, Class or any asset, including proceedings against the Trustee or the Management Company by the other of them for the benefit of the Fund or Class (except to the extent that legal costs incurred for the defense of either of them are not ordered by the court to be reimbursed out of the Fund);
- costs of obtaining experts opinion by the Trustee and the Management Company for the benefit of the Fund or Class; and
- all costs and/or expenses associated with the distributions declared pursuant to this Deed and the payment of such distribution including without limitation fees, costs and/or expenses for the revalidation or reissuance of any distribution cheque or warrant or telegraphic transfer.
- the costs of printing and dispatching to Unit holders the accounts of the Fund, tax certificates, distribution warrants, notices of meeting of members, newspaper advertisement and such other similar costs as may be approved by the Trustee.

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

8.3. RETIREMENT, REMOVAL OR REPLACEMENT OF THE MANAGER

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

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

We shall retire under the following circumstances:

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

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

- if we have gone into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or cease to carry on business or if a receiver shall be appointed in respect of the undertaking or assets of the Manager or if any encumbrances shall take possession of any of its assets; or
- if we ceases to carry on business; or
- if the Trustee is of the opinion that we have, to the prejudice of the Unit holders, failed to comply with any provision or covenant under the Deed or contravened any of the provisions of the CMSA; or
- if we have failed or neglected to carry out its duties to the satisfaction of the Trustee and the Trustee considers that it would be in the interests of the Unit holders for it to do so, after the Trustee has given reasonable notice to it of that opinion and the reasons for that opinion, and has considered any representations made by us in respect of that opinion, and after consultation with the SC; or

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

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

The Manager is legislatively empowered under Section 299 of the CMSA to remove a Trustee under specific circumstances set out therein.

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

8.4. RETIREMENT, REMOVAL OR REPLACEMENT OF THE TRUSTEE

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

The Trustee must retire as Trustee of the Fund when required to retire by law. The Trustee may retire by giving twelve (12) months' notice to us or any shorter notice we accepts.

The Trustee covenants that it will retire from the Fund constituted by or pursuant to the Deed if and when requested so to do by us if:

- the Trustee shall go into liquidation;
- the Trustee is placed under receivership, ceases to exist, fails or neglects its duties;
- the Trustee ceases to be approved by the SC to be a trustee for unit trust schemes; or
- a Special Resolution is duly passed by the Unit holders that the Trustee be removed.

We may be removed by the Trustee on the grounds that are as stated under "Retirement, removal or replacement of the Manager".

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

8.5. TERMINATION OF THE FUND

The Fund or any of the Classes may be terminated or wound-up upon the occurrence of any of the following events:

- (a) the SC's approval is revoked under Section 256E of the Act; or
- (b) a Special Resolution is passed at a Unit holders' meeting of all the Unit holders of the Fund or the relevant Class to terminate or wind-up the Fund or that Class as the case may be, following the occurrence of events stipulated under Section 301(1) of the Act and the court has confirmed the resolution, as required under Section 301(2) of the Act; or
- (c) a Special Resolution is passed at a Unit holders' meeting of all the Unit holders of the Fund or the relevant Class to terminate or wind-up the Fund or that Class as the case may be; or
- (d) on reaching the Fund's or that Class' Maturity Date (if any); or
- (e) the effective date of an approved transfer scheme, as defined under the Guidelines, has resulted in the Fund, which is the subject of the transfer scheme, being left with no asset/property.

8.6. MEETINGS OF UNIT HOLDERS

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

Where we or the Trustee convenes a meeting, the notice of the time and place of the meeting and terms of resolution to be proposed shall be given to the Unit holders in the following manner:

- (a) by sending by post a notice of the proposed meeting at least fourteen (14) days before the date of the proposed meeting, to each Unit holder at the Unit holder's of the Fund or that Class, as the case may be, last known address or, in the case of Joint holders, to the Joint holder of the Fund or that Class, as the case may be, whose name stands first in our records at the Joint holder's last known address; and
- (b) by publishing, at least fourteen (14) days before the date of the proposed meeting, an advertisement giving notice of the meeting in a national language newspaper published daily and circulating generally throughout Malaysia, and in one other newspaper as may be approved by the SC.

We shall within twenty-one (21) days after an application is delivered to us at its registered office, being an application by not less than fifty (50), or one-tenth (1/10) in number, whichever is less, of the Unit holders of the Fund or a Class, as the case may be, to which this Deed relates, summon a meeting of the Unit holders:

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

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

The quorum for a meeting of Unit holders of the Fund or Class, as the case may be, is five (5) Unit holders of the Fund (irrespective of the Class) or Class, as the case may be, present in person or by proxy, provided that for a meeting which requires a Special Resolution the quorum for that meeting shall be five (5) Unit holders of the Fund (irrespective of the Class) or Class, as the case may be, whether present in person or by proxy, holding in aggregate at least twenty five per centum (25%) of the Units in issue of the Fund (irrespective of the Class) or Class, as the case may be, at the time of the meeting. If the Fund or Class, as the case may be, has five (5) or less Unit holders, the quorum required shall be two (2) Unit holders of the Fund (irrespective of the Class) or Class, as the case may be, whether present or by proxy and if the meeting requires a Special Resolution the quorum for that meeting shall be two (2) Unit holders of the Fund (irrespective of the Class) or Class, as the case may be, whether present in person or by proxy, holding in aggregate at least twenty five per centum (25%) of the Units in issue for the Fund (irrespective of the Class) or Class, as the case may be, at the time of the meeting.

Voting is by a show of hands, unless a poll is duly demanded or the resolution proposed is required by the Deeds or by law to be decided by a percentage of all units. Each Unit holder present in person or by proxy has one (1) vote on a show of hands. On a poll, each Unit holder present in person or by proxy has one (1) vote for each whole fully paid unit held. In the case of joint Unit holders, only the person whose name appears first in the register may vote. Units held by the Manager or its nominees shall have no voting rights in any Unit holders' meeting of the Fund. In respect of the termination or winding-up of the Fund, voting shall only be carried out by poll.

9. TAXATION REPORT

PricewaterhouseCoopers Taxation Services Sdn Bhd

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

The Board of Directors

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

31 December 2019

Dear Sirs,

TAXATION OF THE TRUST OFFERED UNDER THE PRINCIPAL GLOBAL TITANS FUND (FORMERLY KNOWN AS CIMB-PRINCIPAL GLOBAL TITANS FUND)

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

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

TAXATION OF THE FUND

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

(1) Foreign Investments

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

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

(2) Domestic Investments

(i) General taxation

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

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

(ii) Dividend and other exempt income

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

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

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

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

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

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

- a) Interest paid or credited by any bank or financial institution licensed under the Financial Services Act 2013 or Islamic Financial Services Act 2013;
- b) Interest paid or credited by any development financial institution regulated under the Development Financial Institutions Act 2002;
- c) Bonds, other than convertible loan stocks, paid or credited by any company listed in Bursa Malaysia Securities Berhad ACE Market; or
- d) Interest income paid or credited by Malaysia Building Society Berhad¹.

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

The interest or discount income exempted from tax at the Trust’s level will also be exempted from tax upon distribution to the unit holders.

(3) Hedging Instruments

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

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

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

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

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

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

¹ Pursuant to the letters from Ministry of Finance Malaysia dated 11 June 2015 and 16 June 2015 with effect from year of assessment (“YA”) 2015.

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

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

(5) Other Income

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

(6) Tax Deductible Expenses

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

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

With effect from 1 January 2019, any gains on disposal of real properties or shares in real property companies² would be subject to RPGT at the following rates:-

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

(8) Sales and Service Tax ("SST")

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

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

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

TAXATION OF UNIT HOLDERS

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

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

Corporate unit holders, resident³ and non-resident, will generally be liable to income tax at 24 per cent on distribution of income received from the Trust. The tax credits attributable to the distribution of income can be utilised against the tax liabilities of these unit holders.

² A real property company is a controlled company which owns or acquires real property or shares in real property companies with a market value of not less than 75 per cent of its total tangible assets. A controlled company is a company which does not have more than 50 members and is controlled by not more than 5 persons.

Individuals and other non-corporate unit holders who are tax resident in Malaysia will be subject to income tax at graduated rates ranging from 1 per cent to 28 per cent⁴. Individuals and other non-corporate unit holders who are not resident in Malaysia will be subject to income tax at 28 per cent⁵. The tax credits attributable to the distribution of income can be utilised against the tax liabilities of these unit holders.

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

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

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

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

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

Yours faithfully,

for and on behalf of

PRICEWATERHOUSECOOPERS TAXATION SERVICES SDN BHD

Jennifer Chang
Partner

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

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

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

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

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

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

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

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

10. DISTRIBUTORS OF THE FUND

Currently Class MYR and Class USD of the Fund are available for sale. As at LPD, Class MYR and/or Class USD are available from the following distributors and their branches:

10.1. OUR BRANCHES

Main Branch/ Financial Planning Centre

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

Northern Branch

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

Southern Branch

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

Central Branch

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

Sarawak Branch

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

Sabah Branch

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

Ampang Branch

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

Sri Petaling Branch

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

Melaka Branch

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

Ipoh Branch

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

Kuantan Branch

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

Kota Bharu Branch

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

10.2. PRINCIPAL DISTRIBUTORS

Nsg Wealth Advisors

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

Platinum

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

Charisma Legacy

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

AAAAA Wealth Builders

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

Tel: (603) 7843 0506

Dynamics Wealth Advisors

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

Megas

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

Amg Synergy Multiresources Sdn Bhd

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

Elite Group Consultants

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

Success Concepts Life Planners

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

Diamond Star Agency Office

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

Aces Advisors

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

Premier Wealth Advisors

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

GVG Solution Agency

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

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

My Financial Freedom Advisors

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

Preferred Wealth Advisors

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

Otye Xcellence Consultants

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

Prestige Wealth Advisors

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

Magnificent Champion Agency Office

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

Jat Xo Group

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

Monalisa Private Wealth Advisors

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

Sa@7

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

My IFP Kemaman

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

81200 Johor
Tel: (607) 2326 976

JAT XO Group Bintulu

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

The One Asia Advisors

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

Soha Barakah Wealth Consultancy

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

Evoque Wealth Advisors

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

KPG Management

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

Victorious Agency

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

KPG Capital Growth Solution

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

Nrich Wealth Advisory Group

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

SWM Advisors Group

Block E-13-2 2nd Floor

24000 Kemaman
Terengganu
Tel: (609) 8589 911

Tremendous Agency

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

Wealth Resources Group Advisors

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

GVG Pasir Gudang Solution

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

Kyzan Jaguar Agency

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

Premierone Wealth

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

Charisma Legacy 1

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

Global Amazing Entrepreneur

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

Charisma Legacy 3

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

Synergy Wealth Entrepreneur

98-2 Jalan Dwitasik

Jalan Serai Wangi M/16M
Alam Avenue 2 Seksyen 16
40200 Shah Alam
Selangor

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

Charisma Legacy 2
B-3-25 Block Bougainvillea
10 Boulevard Lebuhraya Sprint
PJU 6A
47400 Petaling Jaya
Selangor
Tel: (603) 7733 2460

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

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

Dataran Dwtasik
Bandar Sri Permaisuri
Cheras
56000 Kuala Lumpur
Tel: (603) 9226 5344

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

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

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

10.3. IUTA

Principal Asset Management Berhad (304078-K)
Principal Distributors
50, 52 & 54, Jalan SS21/39
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan MALAYSIA
(03) 7718 3000

CIMB Investment Bank Berhad – Retail Equities (18417-M)
(A Participating Organisation of Bursa Malaysia Securities Berhad)
17th Floor, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral,
50470 Kuala Lumpur MALAYSIA
(03) 22618888

AmInvestment Bank Berhad (23742-V)
18th Floor, Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur MALAYSIA
(03) 2036 1300

CIMB Bank Berhad (13491-P)
Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral,
50470 Kuala Lumpur
Malaysia
(03) 6204 7788

CIMB Private Banking (18417-M)
22nd Floor, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral,
50470 Kuala Lumpur MALAYSIA
(03) 22618888

Citibank Berhad (297089 M)
Head Office
Citibank Investment Services
Menara Citibank
165, Jalan Ampang
50450 Kuala Lumpur MALAYSIA
(03) 2383 8833

Hong Leong Bank Berhad (97141-X)
6, Jalan Damanlela,
Bukit Damansara,
50490 Kuala Lumpur
Kuala Lumpur
(03) 2777 1778

HSBC Bank Malaysia Berhad (127776-V)
Level 17th, North Tower,
No. 2, Leboh Ampang
50100 Kuala Lumpur MALAYSIA
(03) 2050 7878

IFAST Capital Sdn. Bhd. (782978-H)
Level 28, Menara AIA Sentral
No 30, Jalan Sultan Ismail
50250 Kuala Lumpur
(03) 2149 0660

Kenanga Investment Bank Berhad (15678-H)
13th Floor, Kenanga,
237, Jalan Tun Razak
50450 Kuala Lumpur
(03) 2172 2888

OCBC Bank (Malaysia) Berhad (295400-W)
Head Office
16th Floor Menara OCBC
18, Jalan Tun Perak
50500 Kuala Lumpur MALAYSIA
(03) 2034 5034

Phillip Mutual Berhad (570409-K)
B-2-7, Megan Avenue II
Jalan Yap Kwan Seng
50450 Kuala Lumpur MALAYSIA
(03) 2783 0300

RHB Bank Berhad (6171-M)
Level 10, Tower 1, RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur MALAYSIA
(03) 9206 8118

Standard Chartered Bank Malaysia Berhad (115793-P)
Level 22, Equatorial Plaza
Jalan Sultan Ismail
50250 Kuala Lumpur MALAYSIA
1300 88 8888

United Overseas Bank (Malaysia) Bhd (271809-K)
13th Floor, Menara UOB
Jalan Raja Laut
50350 Kuala Lumpur MALAYSIA
(03) 2732 4332

Note: We have the discretion in determining the Distributors of the Classes of the Fund, including its appointment and/or termination from time to time. You may contact our **Customer Care Centre** at **(03) 7718 3000** for more information.

ANNEXURE - CLASS MYR

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

CLASS INFORMATION

Class MYR	
Launch date	18 July 2005.
Currency denomination	MYR
Distribution policy	Given the Fund's investment objective, the Fund is not expected to pay any distribution. However, we have the discretion to make income distribution on an ad-hoc basis, taking into consideration the level of its realized income and/or realized gains, as well as the performance of the Fund. We also have the right to make provisions for reserves in respect of distribution of the Class. 16

FEES & CHARGES

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

Charges	Class MYR	Page
Application Fee	Up to 5.50% of the NAV per unit.	6
Withdrawal Fee	Nil.	6
Switching Fee	Switching is available between Class MYR and other Principal Malaysia's funds (or its classes) which should be denominated in RM. Switching is treated as a withdrawal from Class MYR and an investment into another class or Principal Malaysia's funds (or its classes), you will be charged a Switching Fee equal to the difference (if any) between the Application Fee of Class MYR and Application Fee of other class or Principal Malaysia's funds (or its classes). Switching Fee will not be charged if the class or Principal Malaysia's funds (or its classes) to be switched into has a lower Application Fee. In addition, you may be charged RM 100 administrative fee for each switch. However, we have the discretion to waive the Switching Fee and/or administrative fees.	15
Transfer Fee	A maximum of RM50.00 may be charged for each transfer.	6
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.	

Please note that investors investing via EPF-MIS may be charged an Application Fee of up to 3.00% of the NAV per unit, or such other rate as the EPF may determine.

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

Fees	Class MYR	Page
Management Fee	Up to 1.80% per annum of the NAV of the Class.	7
Trustee Fee	Up to 0.07% per annum (including local sub-custodian fees but excluding foreign sub-custodian fee) on the NAV of the Fund. The foreign sub-custodian fee is dependent on the country invested and is charged monthly in arrears.	7
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.	7
Other fees payable indirectly by an investor when investing in the Fund	Nil.	

Note: Despite the maximum Application Fee disclosed above, you may negotiate with us or Distributors for lower fee or charges. However, you should note that we or Distributors may, for any reason at any time, where applicable, accept or reject your request and without having to assign any reason, either generally (for all investors) or specifically (for any particular investor, a group of investors or investments made via any digital platform) without prior notice to you.

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

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

We have the discretion to amend the amount, rate and/or terms and conditions for the above-mentioned fees and charges from time to time, subject to the requirements stipulated in the Deed of the Fund and/or SC Guidelines. Where necessary, the amendments will be notified to the Trustee. Amendments to the fees and charges, if any, will be communicated to you.

TRANSACTION INFORMATION

	Class MYR	Page
Minimum initial investment*	RM500 or such other amount as we may decide from time to time.	14
Minimum additional investment*	RM200 or such other amount as we may decide from time to time.	14
Minimum withdrawal	400 units or such other amount as we may decide from time to time.	14
Minimum balance	500 units or such other amount as we may decide from time to time.	14
Regular Savings Plan	RSP is available for Class MYR. The RSP allows you to make regular monthly investments of RM200 or more, direct from your account held with a bank approved by us or our Distributors. The minimum initial investment for the RSP is RM500 or such other amount as we may decide from time to time.	13
Cooling-off period	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, corporations/institutions, Principal Malaysia's staff and person(s) registered with a body approved by the SC to deal in unit trusts are not entitled to the cooling-off right.	15
Switching	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"> ▪ for switching out of the Class: <ul style="list-style-type: none"> ○ the minimum withdrawal applicable to the Class; ○ the minimum balance required (after the switch) for the Class, unless you are withdrawing from the Class in entirety; and ○ the Withdrawal Penalty of the Class (if any); ▪ for switching into the Class: <ul style="list-style-type: none"> ○ the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Class; and ○ the Switching Fee applicable for the proposed switch (if any). <p>You may negotiate to lower the amount for your switch with us or our Distributors.</p>	15
Transfer	We may, at our absolute discretion, allow or refuse Unit holders to transfer their units subject to such terms and conditions as may be stipulated by us from time to time.	15

* You may request for a lower amount or number of units when purchasing units (or additional units) or redeeming units, which will be at our sole and absolute discretion. However, you should note that we may, for any reason at any time, where applicable, accept or reject your request and without having to assign any reason, either generally (for all investors) or specifically (for any particular investor, a group of investors or investments made via any digital platform) without prior notice to you. We may also, for any reason at any time, where applicable, reduce the minimum balance, either generally (for all investors) or specifically (for any particular investor, a group of investors or investments made via any digital platform) without prior notice to you. For increase in the number of units for minimum withdrawal and minimum balance, we will require concurrence from the Trustee and you will be notified of such changes.

Note: The minimum initial investment for EPF-MIS shall be RM1,000 or as per the amount stated under the minimum initial investment column, whichever is higher. The list of Funds that is allowed under the EPF-MIS will be updated on the website at <http://www.principal.com.my> as and when EPF revises the list. Alternatively, you may contact our **Customer Care Centre** at (03) 7718 3000 for further information.

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

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

ANNEXURE – CLASS USD

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

CLASS INFORMATION

Class USD		
Launch date	25 January 2017.	
Currency denomination	USD	
Distribution policy	Given the Fund's investment objective, the Fund is not expected to pay any distribution. However, we have the discretion to make income distribution on an ad-hoc basis, taking into consideration the level of its realized income and/or realized gains, as well as the performance of the Fund. We also have the right to make provisions for reserves in respect of distribution of the Class.	15

FEES & CHARGES

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

Charges	Class USD	Page
Application Fee	Up to 5.50% of the NAV per unit.	6
Withdrawal Fee	Nil.	6
Switching Fee	Switching is available between Class USD and other Principal Malaysia's funds (or its classes) which should be denominated in USD. Switching is treated as a withdrawal from Class USD and an investment into another class or Principal Malaysia's funds (or its classes), you will be charged a Switching Fee equal to the difference (if any) between the Application Fee of Class USD and Application Fee of other class or Principal Malaysia's funds (or its classes). Switching Fee will not be charged if the class or Principal Malaysia's funds (or its classes) to be switched into has a lower Application Fee. In addition, you may be charged USD 35 administrative fee for each switch. However, we have the discretion to waive the Switching Fee and/or administrative fees	6
Transfer Fee	A maximum of USD15 may be charged for each transfer.	6
Other charges payable directly by an investor when purchasing or withdrawal the units	Any applicable bank charges and other bank fees incurred as a result of an investment or w will be borne by you.	

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

Fees	Class USD	Page
Management Fee	Up to 1.80% per annum of the NAV of the Class.	7
Trustee Fee	Up to 0.07% per annum (including local sub-custodian fees but excluding foreign sub-custodian fee) on the NAV of the Fund. The foreign sub-custodian fee is dependent on the country invested and is charged monthly in arrears.	7
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.	7
Other fees payable indirectly by an investor when investing in the Fund	Nil.	

Note: Despite the maximum Application Fee/Withdrawal Fee disclosed above, you may negotiate with us or Distributors for lower fee or charges. However, you should note that we or Distributors may, for any reason at any time, where applicable, accept or

reject your request and without having to assign any reason, either generally (for all investors) or specifically (for any particular investor, a group of investors or investments made via any digital platform) without prior notice to you.

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

All fees and charges payable by you and/or the Fund are subject to any applicable taxes and/or duties as may be imposed by the government or other authorities 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 Unit holders disclosed or illustrated in the Prospectus.

We have the discretion to amend the amount, rate and/or terms and conditions for the above-mentioned fees and charges from time to time, subject to the requirements stipulated in the Deed of the Fund and/or SC Guidelines. Where necessary, the amendments will be notified to the Trustee. Amendments to the fees and charges, if any, will be communicated to you.

TRANSACTION INFORMATION

	Class USD	Page
Minimum initial investment*	USD500 or such other amount as we may decide from time to time.	14
Minimum additional investment*	USD200 or such other amount as we may decide from time to time.	14
Minimum withdrawal	400 units or such other amount as we may decide from time to time.	14
Minimum balance	500 units or such other amount as we may decide from time to time.	14
Regular Savings Plan	Currently not available for Class USD.	13
Cooling-off period	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, corporations/institutions, Principal Malaysia's staff and person(s) registered with a body approved by the SC to deal in unit trusts are not entitled to the cooling-off right.	15
Switching	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"> ▪ for switching out of the Class: <ul style="list-style-type: none"> ○ the minimum withdrawal applicable to the Class; ○ the minimum balance required (after the switch) for the Class, unless you are withdrawing from the Class in entirety; and ○ the Withdrawal Penalty of the Class (if any); ▪ for switching into the Class: <ul style="list-style-type: none"> ○ the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Class; and ○ the Switching Fee applicable for the proposed switch (if any). <p>You may negotiate to lower the amount for your switch with us or our Distributors.</p>	15
Transfer	We may, at our absolute discretion, allow/refuse Unit holders to transfer their units subject to such terms and conditions as may be stipulated by us from time to time.	15

* You may request for a lower amount or number of units when purchasing units (or additional units) or redeeming units, which will be at our sole and absolute discretion. However, you should note that we may, for any reason at any time, where applicable, accept or reject your request and without having to assign any reason, either generally (for all investors) or specifically (for any particular investor, a group of investors or investments made via any digital platform) without prior notice to you. We may also, for any reason at any time, where applicable, reduce the minimum balance, either generally (for all investors) or specifically (for any particular investor, a group of investors or investments made via any digital platform) without prior notice to you. For increase in the amount or units for minimum withdrawal and minimum balance, we will require concurrence from the Trustee and you will be notified of such changes.

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.

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

Enquiries:

Customer Care Centre **(603) 7718 3000**

Email **service@principal.com.my**

Website **www.principal.com.my**