

Date of issuance: 31 May 2024

# Product Highlights Sheet

## Principal Islamic Deposit Fund

### Responsibility Statement

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

### Statements of Disclaimer

The Securities Commission Malaysia has authorized the issuance of the Fund and a copy of this PHS has been lodged with the Securities Commission Malaysia.

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

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

### The Manager

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

**This PHS supersedes the PHS dated 16 May 2023.**

**This PHS only highlights the key features and risks of this unlisted capital market product. We recommend that you read this PHS together with the Replacement Prospectus dated 1 July 2021 and its First Supplemental Prospectus dated 16 May 2023. You are advised to request, read and understand the Replacement Prospectus and the First Supplemental Prospectus before deciding to invest.**

## Brief Information on Principal Islamic Deposit Fund

Principal Islamic Deposit Fund is an Islamic money market fund issued by Principal Malaysia. The Fund aims to provide investors with liquidity and regular income, whilst maintaining capital stability by investing primarily in deposits that comply with the Shariah principles. The Fund is established with a multi-class structure and is allowed to establish new Class(es) from time to time.

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

### Product Suitability

This Fund is suitable for investors who:

- have a short-term investment horizon;
- want a portfolio of investments that adhere to Shariah principles;
- desire a stream of income; and/or
- seek for security and flexibility in investment.

### Key Product Features

<b>Fund Category/Type</b>	Money Market (Islamic) / Income.			
<b>Benchmark</b>	Islamic Interbank Overnight Rate for performance comparison purpose only.			
<b>Investment policy and strategy</b>	<p>The Fund seeks to achieve its objective by investing at least 95% of the Fund's NAV in Islamic Deposits, which have a remaining maturity period of less than 397 days. Up to 5% of the Fund's NAV may be maintained in cash. The investment policy is to invest in liquid and low risk short-term investments for capital preservation.</p> <p><i>*The Fund is neither a capital guaranteed fund nor a capital protected fund.</i></p> <p>The asset allocation strategy for this Fund is as follows:</p> <ul style="list-style-type: none"> <li>▪ at least 95% of the Fund's NAV will be invested in Islamic Deposits; and</li> <li>▪ up to 5% of the Fund's NAV in cash.</li> </ul>			
<b>Launch date</b>	Class AI#	:	9 September 2009	Class AR# : Effective date*
	<p># <i>With effect from 13 August 2021, the Fund will be split into Class AI and AR where individual unitholders will be designated to Class AR and non-individual unit holders will be designated to Class AI.</i></p> <p><i>*The effective launch date of Class AR will be the date of the Fund is split into Class AI and AR.</i></p>			
<b>Financial year-end</b>	31 January			
<b>Distribution policy</b>	<b>Class(es) of units</b>			
	<b>Class AI</b>		<b>Class AR</b>	
	Annually, depending on the level of income (if any) the Fund generates.		Monthly, depending on the level of income (if any) the Fund generates.	
<b>Manager</b>	Principal Asset Management Berhad.			
<b>Trustee</b>	HSBC (Malaysia) Trustee Berhad			
<b>Shariah Adviser</b>	Amanie Advisors Sdn Bhd			
<b>Solicitors</b>	Soon Gan Dion & Partners			

### Key Risks

General risks of investing in a fund	
<b>Returns not guaranteed</b>	The investment of the fund is subject to market fluctuations and its inherent risk. There is <b>NO GUARANTEE</b> on the investment which includes your investment capital and returns, nor any assurance that the fund's objective will be achieved.
<b>Market risk</b>	Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the fund's NAV.

<b>Inflation risk</b>	This is the risk that your investment in the fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce your purchasing power even though the value of the investment in monetary terms has increased.
<b>Manager risk</b>	This risk refers to the day-to-day management of the fund by the manager which will impact the performance of the fund. For example, an incorrect view by the manager of the market, non-compliance with internal policies, investment mandate, the deed, relevant law or guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the fund.
<b>Financing risk</b>	This risk occurs when you obtain financing to finance your investment. The inherent risk of investing with money obtained from financing includes you being unable to service the financing repayments. In the event units are used as collateral and if the prices of units fall below a certain level due to market conditions, you may be required to top-up additional amounts on top of your normal instalment. Failing which, the units may be sold at a lower NAV per unit as compared to the NAV per unit at the point of purchase towards the settlement of your financing.
<b>Shariah non-Compliance risk</b>	This refers to the risk of the fund not conforming to Shariah Investment Guidelines due to investment in Shariah non-compliant instrument. In the event that the Manager is required to rectify any Shariah non-compliance by disposing the related instrument, any losses from disposal due to investment in Shariah non-compliant instrument will be borne by the Manager. In any circumstances, gain received from disposal shall be channelled to baitulmal and/or charitable bodies as approved by the Shariah Adviser.

#### Specific risks associated with the investment portfolio of the Fund

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

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

**Investment in the Fund is not the same as placing funds in an Islamic deposit with an Islamic financial institution. There are risks involved and you should rely on your own evaluation to assess the merits and risks when investing in the Fund.**

## Fees & Charges

	Class(es) of units	
	Class AI	Class AR
<b>Application Fee*</b>	Nil.	
<b>Withdrawal Fee</b>	Nil.	
<b>Switching Fee</b>	Switching is treated as a withdrawal from this Class and an investment into another Class or Principal Malaysia's fund (or its class). As such, you may be charged a Switching Fee equal to the difference (if any) between the Application Fee of this Class and the Application Fee of the other Class or Principal Malaysia's fund (or its class). Switching Fee will not be charged if the Class or Principal Malaysia's fund (or its class) to be switched into has a lower Application Fee. In addition, we may impose a MYR100 administrative fee for each switch. You may negotiate to lower the Switching Fee and/or administrative fees with us or our Distributors. We also have the discretion to waive the Switching Fee and/or administrative fees.	
<b>Transfer Fee</b>	A maximum of MYR50.00 may be charged for each transfer.	
<b>Management Fee</b>	Up to 0.30% per annum of the NAV of the Class.	
<b>Trustee Fee</b>	Up to 0.02% per annum includes local custodian fee but excludes foreign sub-custodian fees and charges (if any) of the NAV of the Fund.	
<b>Other charges payable directly by you when purchasing or withdrawing the units</b>	Any applicable bank charges and other bank fees incurred as a result of an investment or withdrawal will be borne by you.	

	Class(es) of units	
	Class AI	Class AR
<b>Expenses directly related to the Fund</b>	Only expenses that are directly related to the Fund can be charged to the Fund. Examples of relevant expenses are audit fee and tax agent's fee.	

*\*If the Fund is an EPF-MIS approved fund and you have invested via EPF-MIS, you may be charged an Application Fee of up to 3.00% of the NAV per unit, or such other rate as the EPF may determine.*

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

Subject always to the provisions of the Deed and GUTF, we reserve our sole and absolute discretion without providing any reason whatsoever and at any time to amend, vary, waive and/or reduce the fees and charges (except for Trustee Fee), whether payable by the Fund, Class, payable by you to the Fund or payable by any other investors to the Fund.

We may for any reason and at any time, waive or reduce: (a) any fees (except the Trustee Fee); (b) other charges payable by you in respect of the Funds; and/ or (c) transactional values including but not limited to the units or amount, for any Unit holder and/or investments made via any distribution channels or platform.

## Transaction Information

	Class(es) of units	
	Class AI	Class AR
<b>Minimum initial investment</b>	MYR10,000 or such other amount as we may decide from time to time.	
<b>Minimum additional investment</b>	MYR1,000 or such other amount as we may decide from time to time.	
<b>Minimum withdrawal</b>	1,000 units or such other number of units as we may decide from time to time.	
<b>Minimum balance</b>	5,000 units or such other number of units as we may decide from time to time.	
<b>Regular Savings Plan</b>	RSP is available for the Class. The RSP allows you to make regular monthly investments of MYR1,000 or more, direct from your account held with a bank approved by us or our Distributors. The minimum initial investment for the RSP is MYR10,000 or such other amount as we may decide from time to time.	
<b>Switching</b>	Switching will be conducted based on the value of your investments in the Class. The minimum amount for a switch is subject to: for switching out of the Class: <ul style="list-style-type: none"> <li>o the minimum withdrawal applicable to the Class;</li> <li>o the minimum balance required (after the switch) for the Class, unless you are withdrawing from the Class in entirety; and</li> <li>o the Withdrawal Fee of the Class (if any)</li> </ul> for switching into a Class <ul style="list-style-type: none"> <li>o the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Class; and</li> <li>o the Switching Fee applicable for the proposed switch (if any).</li> </ul> You may negotiate to lower the amount for your switch with us or our Distributors.	
<b>Transfer</b>	We may, at our absolute discretion, allow/refuse Unit holders to transfer their units subject to such terms and conditions as may be stipulated in the Deed.	
<b>Cooling-off period</b>	Not applicable for this Class.	You have six (6) Business Days after your initial investment (i.e. the date the complete application is received and accepted by us or our Distributors) to reconsider its appropriateness and suitability for your investment needs. Within this period, you may withdraw your investment at the same NAV per unit when the units were purchased or prevailing NAV per unit at the point of cooling-off (whichever is lower) ("Refund amount"). We will pay the Refund amount to you in the currency of the respective Class within seven (7) Business Days, from the date we receive the complete documentations. Please note that the cooling-off right is only given to first time investor investing with us or our Distributors. However, Principal Malaysia's staff or a person registered with a body approved by the SC to deal in unit trust funds are not entitled to the cooling-off right.

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

# The minimum initial investment for EPF-MIS shall be MYR1,000 or such other amount as determined by EPF. The list of funds that is allowed under the EPF-MIS approved fund will be updated on the website at [www.principal.com.my](http://www.principal.com.my) as and when EPF revises the list. Alternatively, you may contact our Customer Care Centre at (03) 7723 7260 for further information.

**Note:** We reserve our sole and absolute discretion without providing any reason whatsoever and at any time to accept, reject, amend, vary, waive and/or reduce (as the case maybe): (i) You may request for a lower amount or number of units when purchasing units (or additional units) or withdrawing units; and/or (ii) the minimum balance. 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.

We may for any reason and at any time, waive or reduce: (a) any fees (except the Trustee Fee); (b) other charges payable by you in respect of the Funds; and/or (c) transactional values including but not limited to the units or amount, for any Unit holder and/or investments made via any distribution channels or platform.

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

## Valuations

We will carry out the valuation point for the Classes for a Business Day at the end of that Business Day (T day). The NAV per unit for a Business Day is available on our website at [www.principal.com.my](http://www.principal.com.my) after 10:00 a.m. on the following Business Day (T+1).

Please refer to the "Unit Pricing" section of the Prospectus for more information.

## Avenues to Exit This Investment

To exit from this investment, you may withdraw, switch out or transfer your unit holdings to other investors. You may withdraw your investment at the NAV per unit of the Business Day.

Withdrawals can be made from the Class by completing a withdrawal form and sending it to the relevant Distributor or Principal Malaysia's office. There is no restriction on the frequency of withdrawals. The amount that you will receive is calculated by the withdrawal value less the Withdrawal Fee, if any. You will be paid in MYR within three (3) Business Days of receipt of the complete withdrawal request. For a withdrawal amount greater than MYR30 million, you are required to provide us with a written notice (electronically or otherwise) of minimum seven (7) Business Days of such intention to withdraw to enable us to process the withdrawal. You will have to bear the applicable bank fees and charges, if any.

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

## Fund Performance

### Average total return of the Fund

FYE: 31 January 2024 in %	1-Year	3-Years	5-Years	10-Years	Since inception
<b>Fund</b>					
- Class AI	3.65	2.57	2.61	2.87	2.69
- Class AR	3.64	2.57	2.61	2.87	2.69
<b>Benchmark</b>					
- Class AI	2.97	2.32	2.40	2.78	2.86
- Class AR	2.97	2.32	2.40	2.78	2.86

**Note:** All performance figures have been extracted from Lipper.

### Annual total return of the Fund

FYE: 31 January, in %	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Fund</b>										
- Class AI	3.65	2.40	1.67	2.13	3.22	3.37	3.25	3.02	3.12	2.87

FYE: 31 January, in %	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
- Class AR	3.64	2.41	1.66	2.13	3.22	3.37	3.25	3.02	3.12	2.87
<b>Benchmark</b>										
- Class AI	2.97	2.24	1.74	2.08	3.09	3.36	3.04	3.13	3.20	3.01
- Class AR	2.97	2.24	1.74	2.08	3.09	3.36	3.04	3.13	3.20	3.01

**Note:** All performance figures have been extracted from Lipper.

As at 31 January 2024, the Fund's AI Class and AR Class gave a 1-year return of 3.65% and 3.64%, outperforming the benchmark by 68 bps and 67 bps respectively.

#### Basis of calculation and assumptions made in calculating the returns

Percentage growth	=	$\frac{\text{NAV on that day} - \text{NAV of previous day}}{\text{NAV of previous day}} * 100$	Average total return	=	$\frac{\text{Total returns of the years under review}}{\text{Number of years under review}}$
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#### Portfolio Turnover Ratio ("PTR")

FYE: 31 January	2024	2023	2022
Fund	10.80	16.91	12.99

The Fund's PTR for the financial year under review was 10.80 times, a decrease from 16.91 times a year ago due to lower number of transactions.

#### Distribution

FYE: 31 January	2024	2023	2022
Fund	Gross distribution per unit (Sen)	0.00*	0.00*
	- Class AI	Net distribution per unit (Sen)	0.00*

FYE: 31 January	2024	2023	2022
Fund	Gross distribution per unit (Sen)	0.00*	0.00*
	- Class AR	Net distribution per unit (Sen)	0.00*

\* Note: 0.00 denotes value less than 0.01 sen

The Fund distributed a total net income of RM0.05 million to unit holders for the financial year ended 31 January 2024.

**PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE.**

#### Contact for Further Information / Complaint

- (i) You may contact our Customer Care Centre at (03) 7723 7260 or whatsapp at +6016 299 9792 for further information or for any dispute resolution. Our Customer Care Centre is available during our business hour between 8:45 a.m. and 5:45 p.m. (Malaysian time) on Mondays to Fridays or you can e-mail us at [myservice@principal.com](mailto:myservice@principal.com).
- (ii) Alternatively, you may also contact:
  - (a) If you are dissatisfied with the outcome of the dispute resolution process with us, please refer your dispute to Securities Industry Dispute Resolution Center (SIDREC):
    - via phone to : 03-2282 2280
    - via fax to : 03-2282 3855
    - via e-mail to : [info@sidrec.com.my](mailto:info@sidrec.com.my)
    - via letter to : Securities Industry Dispute Resolution Center (SIDREC)  
Unit A-9-1, Level 9, Tower A, Menara UOA Bangsar  
No.5, Jalan Bangsar Utama 1, 59000 Kuala Lumpur
  - (b) You can also direct your complaint to the SC even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Consumer & Investor Office:

- via phone to : 03-6204 8999
- via fax to : 03-6204 8991
- via e-mail to : [aduan@seccom.com.my](mailto:aduan@seccom.com.my)
- via online complaint form available at [www.sc.com.my](http://www.sc.com.my)
- via letter to : Consumer & Investor Office  
Securities Commission Malaysia  
No 3 Persiaran Bukit Kiara, Bukit Kiara, 50490 Kuala Lumpur

(c) Federation of Investment Managers Malaysia's Complaints Bureau:

- via phone to : 03-7890 4242
- via e-mail to : [complaints@fimm.com.my](mailto:complaints@fimm.com.my)
- via online complaint form available at [www.fimm.com.my](http://www.fimm.com.my)
- via letter to : Legal, Secretarial & Regulatory Affairs  
Federation of Investment Managers Malaysia  
19-06-1, 6th Floor Wisma Tune  
No. 19, Lorong Dungun Damansara Heights, 50490 Kuala Lumpur

## Appendix: Glossary

Application Fee	- Preliminary charge on each investment.
Business Day	- Mondays to Fridays when Bursa Malaysia Securities Berhad is open for trading, and/or banks in Kuala Lumpur and/or Selangor are open for business.
Class	- Any classes of units representing similar interest in the assets of the Fund.
Class AI and Class AR	- The Class of units issued by the Fund denominated in MYR and differentiated by feature such as type of eligible investors and/or transaction methods.
Deed	- The principal deed and all supplemental deed in respect of the Funds made between us and the Trustee, in which Unit holders agree to be bound by the provisions of the Deed.
Distributor	- Any relevant persons and bodies appointed by Principal Malaysia from time to time, who are responsible for selling units of the Fund, including Principal Distributors and IUTAs.
EPF	- Employees' Provident Fund.
EPF-MIS	- EPF's Members Investment Scheme.
Fund or IDF	- Principal Islamic Deposit Fund.
GUTF	- Guidelines on Unit Trust Funds issued by the SC.
Islamic Deposit	- As per the definition of "Islamic deposit" in the Islamic Financial Services Act 2013.
IUTA	- Means a corporation registered with Federation of Investment Managers Malaysia and authorised to market and distribute unit trust schemes of another party.
Management Fee	- A percentage of the NAV of the Class that is paid to us for managing the portfolio of the Fund.
MYR	- Malaysian Ringgit.
NAV	- Net Asset Value.
NAV of the Fund	- The NAV of the Fund is the value of all Fund's assets less the value of all the Fund's liabilities, at the point of valuation. For the purpose of computing the annual Management Fee (if any) and annual Trustee Fee (if any), the NAV of the Fund should be inclusive of the Management Fee and Trustee Fee for the relevant day.
NAV per unit	- The NAV of the Fund divided by the number of units in circulation, at the valuation point.
Prospectus	- Refers to the document issued by us describing the details of the Fund.
Principal Distributors	- Refers to the authorised unit trust scheme consultants registered with Principal Malaysia.
Principal Malaysia or the Manager	- Principal Asset Management Berhad.
PHS	- Refers to Product Highlights Sheet; this document issued by us that contains clear and concise information of the salient features of the Fund.
RSP	- Regular Savings Plan.
SAC	- Shariah Advisory Council.
SC	- Securities Commission Malaysia.
Shariah	- Islamic law, originating from the Qur'an (the holy book of Islam), and its practices and explanations rendered by the prophet Muhammad (pbuh) and ijihad of ulamak (personal effort by qualified Shariah scholars to determine the true ruling of the divine law on matters whose revelations are not explicit).
Switching Fee	- A charge that may be levied when switching is done from one (1) fund to another.
Transfer Fee	- A nominal fee levied for each transfer of units from one (1) Unit holder to another.
Trustee Fee	- A percentage of the NAV of the Fund that is paid to the Trustee for its services rendered as trustee of the Fund.
Unit holder	- The registered holder for the time being of a unit of the Fund including persons jointly so registered.

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;*
- *reference to any rules, regulations, guidelines, standards, directives, notices, legislation or statutes in this PHS shall be reference to those rules, regulations, guidelines, standards, directives, notices, legislations or statutes for the time being in force, as may be amended, varied, modified, updated, superseded and/or re-enacted, from time to time;*
- *time, day or date disclosed in this PHS shall be a reference to that time, day or date in Malaysia; and*
- *reference to “days” in this PHS will be taken to mean calendar days.*

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