

Disclosure Document

22 April 2020

Principal PRS Plus*

(formerly known as CIMB-Principal PRS PLUS)

PRS Provider : **Principal Asset Management Berhad** (199401018399 (304078-K))

Scheme Trustee : **Deutsche Trustees Malaysia Berhad** (200701005591 (763590-H))

THIS IS A SECOND REPLACEMENT DISCLOSURE DOCUMENT. THIS SECOND REPLACEMENT DISCLOSURE DOCUMENT IS ISSUED TO REPLACE AND SUPERSEDE THE DISCLOSURE DOCUMENT OF THE CIMB-PRINCIPAL PRS PLUS DATED 31 JULY 2014.

This Disclosure Document for the Principal PRS Plus (“Scheme”) is dated 22 April 2020 and incorporates the following Funds namely:

Core Funds

Principal PRS Plus Conservative

Principal PRS Plus Moderate

Principal PRS Plus Growth

Formerly known as*CIMB-Principal PRS Plus Conservative**CIMB-Principal PRS Plus Moderate**CIMB-Principal PRS Plus Growth***Non-Core Funds**

Principal PRS Plus Equity

Principal PRS Plus Asia Pacific Ex Japan Equity

*CIMB-Principal PRS Plus Equity**CIMB-Principal PRS Plus Asia Pacific Ex Japan Equity*

This Scheme was constituted on 8 November 2012.

MEMBERS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE DISCLOSURE DOCUMENT. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE MEMBERS, SEE “RISK FACTORS” COMMENCING ON PAGE 21.

**The name “PRS Plus” is the name of the PRS solution by Principal Malaysia. It does not in any way connote or warrant that this Scheme will necessarily outperform other PRS or have additional features that may be lacking in other PRS solutions.*

ABOUT THIS DOCUMENT

This is a Disclosure Document which introduces you to Principal Asset Management Berhad (“Principal Malaysia”) and the Principal PRS Plus (“Scheme”). This Disclosure Document outlines in general the information you need to know to make an informed decision as to whether the Scheme or Funds under the Scheme best suits your financial needs.

If you have any questions about the information in this Disclosure Document or would like to know more about investing in the Principal Malaysia family of PRS, please call our **Customer Care Centre** at **(03) 7718 3000** between 8:45 a.m. and 5:45 p.m. (Malaysian time) on Mondays to Thursdays and between 8:45 a.m. and 4:45 p.m. (Malaysian time) on Fridays (except on Selangor public holidays).

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

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

Please note that all references to currency amounts and NAV per unit in this Disclosure Document are in Ringgit Malaysia unless otherwise indicated.

RESPONSIBILITY STATEMENTS

This Disclosure Document 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 the Disclosure Document false or misleading.

STATEMENTS OF DISCLAIMER

The Securities Commission Malaysia has approved the Scheme and authorized the Funds under the Scheme, and a copy of this Disclosure Document has been registered with the Securities Commission Malaysia.

The approval and authorization, as well as the registration of this Disclosure Document should not be taken to indicate that the Securities Commission Malaysia recommends the Scheme or Funds under the Scheme or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Disclosure Document.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of the PRS Provider responsible for the Scheme and Funds under the Scheme, and takes no responsibility for the contents in this Disclosure Document. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Disclosure Document and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

MEMBERS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, MEMBERS WHO ARE IN DOUBT ON THE ACTION TO BE TAKEN SHOULD CONSULT PROFESSIONAL ADVISERS IMMEDIATELY.

ADDITIONAL STATEMENTS

Members are advised to note that recourse for false or misleading statements or acts made in connection with the Disclosure Document is directly available through section 92A(3) of the *Capital Markets and Services Act 2007*.

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DEFINITIONS

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

- Accrued Benefits - The amount of a Member's beneficial interest in the Scheme.
- BNM - Bank Negara Malaysia.
- Business Day - A day on which the Bursa Malaysia Securities Berhad is open for trading and banks in Kuala Lumpur and/or Selangor are open for business.
Note: We may declare certain Business Days to be a non-Business Day for a Fund, if the Fund's investment in foreign markets (if any) 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.
- CIS - Collective investment scheme.
- Class - Any class of units representing similar interests in the assets of a Fund.
- Class A - Subject to our absolute discretion, Class A is for an individual who has attained the age 18 years as of the date of opening a private pension account. Class A and Class C have different Sales Charge and Management Fee.
- Class C - Subject to our absolute discretion, Class C is for an individual who has attained the age 18 years as of the date of opening a private pension account. Class A and Class C have different Sales Charge and Management Fee.
- Class X - Subject to our absolute discretion, Class X is for Member who participates via his/her employer. Class X has no Sales Charge.
- CMSA - Capital Markets and Services Act 2007.
- Conditionally Vested Unit - It means a Unit which accords a Member with entitlement to the Unit that is conditional upon fulfilment of condition(s) stipulated in a Vesting Schedule.
- Core Funds - Principal PRS Plus Conservative, Principal PRS Plus Moderate and Principal PRS Plus Growth.
- Deed - The principal and all supplemental deed in respect of the Scheme made between us and the Trustee, in which the Members agree to be bound by the provisions of the deeds.
- Default Option - Core Funds that will be selected automatically for a Member who does not specify his or her Fund option upon participating in the Scheme.
- Deposit - As per the definition of "deposit" in the Financial Services Act 2013 and "Islamic deposit" in the Islamic Financial Services Act 2013.
Note: To exclude structured deposits.
- Disclosure Document - Refers to the Second Replacement Disclosure Document in respect of the Funds and includes any supplemental disclosure document or replacement disclosure document, as the case may be.
- Distributor - Any relevant persons and bodies appointed by Principal Malaysia from time to time, who are responsible for selling Units of the Scheme, including Principal Distributors and Institutional PRS Advisers.
- 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 Funds.
- Fund - It refers to the following funds under the Scheme:
- | | |
|---|----------|
| Principal PRS Plus Conservative
(formerly known as CIMB-Principal PRS Plus Conservative) | PRS-C |
| Principal PRS Plus Moderate
(formerly known as CIMB-Principal PRS Plus Moderate) | PRS-M |
| Principal PRS Plus Growth
(formerly known as CIMB-Principal PRS Plus Growth) | PRS-G |
| Principal PRS Plus Equity
(formerly known as CIMB-Principal PRS Plus Equity) | PRS-E |
| Principal PRS Plus Asia Pacific Ex Japan Equity
(formerly known as CIMB-Principal PRS Plus Asia Pacific Ex Japan Equity) | PRS-APDI |
- GDP - Gross Domestic Product.
- 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>.
- LPD - Latest Practicable Date i.e. 31 January 2020, in which all information provided herein, shall

	-	remain current and relevant as at such date.
Long-term	-	A period of more than five (5) years.
Management Fee	-	A fee that is paid to the PRS Provider for managing the portfolio of the Fund.
MARC	-	Malaysian Rating Corporation Berhad.
Member	-	An individual who has a beneficial interest under the Scheme.
NAV	-	Net Asset Value.
NAV of the Class	-	The NAV of the Fund multiplied by the Units in circulation of that Class divided by the Units in circulation of the Fund.
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), annual Trustee Fee (if any) and annual PPA fee (if any), the NAV of the Fund must be inclusive of the Management Fee, Trustee Fee and PPA fee for the relevant day.
NAV of the Target Fund	-	The NAV of the Target Fund is the value of all the Target Fund's assets less the value of all the Target 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 Target Fund must be inclusive of the management fee and trustee fee for the relevant day.
NAV per Unit	-	The NAV of the Class divided by the number of Units in circulation for that Class, at the valuation point.
Nominee	-	Means the person nominated by a Member to receive the accrued benefits as- a) a beneficiary in the case of a non-Muslim Member; or b) an executor in the case of a Muslim Member upon the death of such Member.
Non-Core Funds	-	Principal PRS Plus Equity and Principal PRS Plus Asia Pacific Ex Japan Equity.
OTC	-	Over-the-counter.
PFG	-	Principal Financial Group and its affiliates.
PIA	-	Principal International (Asia) Ltd.
PPA	-	Refers to Private Pension Administrator; the PRS administrator who is approved under section 139C of the Capital Markets and Services Act 2007 to perform the function of record keeping, administration and customer service for Members and contributors in relation to contributions made in respect of a PRS and such other duties and functions as may be specified by the SC.
Pre-retirement withdrawal	-	It refers to the withdrawals from any of the Funds that occurs prior to a Member reaching the Retirement Age and for the following reasons: a) Pre-retirement withdrawal from Sub-account B that would incur a tax penalty; b) Death of Member; c) Permanent departure of a member from Malaysia; d) Due to permanent total disablement, serious disease or mental disability of a Member; e) For healthcare purpose; and f) For housing purpose.
Principal Distributors	-	Refers to the PRS consultants of Principal Malaysia (authorised Principal Malaysia distributors).
Principal Malaysia or PRS Provider	-	Principal Asset Management Berhad.
PRS	-	Private Retirement Scheme.
RAM	-	RAM Rating Services Berhad.
Redemption Charge	-	A charge levied upon redemption of Units from the Fund under certain terms and conditions (if applicable).
RSP	-	Refers to Regular Savings Plan. RSP allows you to make regular monthly investments directly from your account held with a bank approved by Principal Malaysia or Distributor.
Retirement Age	-	It means the age of 55 years or any other age may be specified by the SC.
RM or MYR	-	Malaysian Ringgit.
Sales Charge	-	Preliminary charge on each investment made into the Fund.
SC	-	Securities Commission Malaysia.
SC Guidelines	-	Guidelines on Private Retirement Schemes issued by the SC.
Scheme	-	Principal PRS Plus* (formerly known as CIMB-Principal PRS Plus). *The name "PRS Plus" is the name of the PRS solution by Principal Malaysia. It does not in any way connote or warrant that this Scheme will necessarily outperform other PRS or have additional features that may be lacking in other PRS solutions.
Special Resolution	-	A resolution passed by a majority of not less than three-fourth (3/4) of the Members of the Fund,

Class or the Scheme, as the case may be, voting at a meeting of Members duly convened and held in accordance with the provisions of the Deed. For the purposes of winding-up of a Non-Core Fund or Class to a Fund, as the case may be, a special resolution is passed by a majority in number representing at least three-fourth (3/4) of the value of the Units held by Members of that Non-Core Fund or Class to that Fund, as the case may be, voting at the meeting duly convened and held in accordance with the provisions of the Deed.

Sub-Adviser	-	A fund management company/ asset management company that provides investment research and stock recommendation to Principal Malaysia. Currently, the Sub-Adviser for the Funds is Principal Asset Management (S) Pte. Ltd.
Switching Fee	-	A charge that may be levied when switching is done from one (1) Fund to another Fund under the Scheme or funds under other schemes managed by the PRS Provider.
S&P	-	Standard & Poor's.
Target Fund	-	Principal Asia Pacific Dynamic Income Fund (<i>formerly known as CIMB-Principal Asia Pacific Dynamic Income Fund</i>).
Transfer Fee (to another PRS provider)	-	A nominal fee levied for each transfer of Accrued Benefits from the PRS Provider to another PRS provider.
Scheme Trustee or Trustee	-	Deutsche Trustees Malaysia Berhad.
Trustee Fee	-	A fee that is paid to the Trustee for its services rendered as trustee of the Scheme.
Units or Unit	-	It means in relation to a Class or Fund, an undivided proportionate share in the beneficial interest in that Class or Fund as provided by the Deed and in relation to the Scheme, an undivided proportionate share in the beneficial interest in any of the Funds under the Scheme and shall include both Vested Unit and Conditionally Vested Unit.
Units in circulation	-	Units created and fully paid.
Vested Unit	-	It means a Unit which accords a Member with unconditional entitlement to such Unit.
Vesting Schedule	-	Refers to the schedule that determines the entitlement of an employee's accrued benefits based on terms of service.

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

CORPORATE DIRECTORY

The PRS Provider

Principal Asset Management Berhad

Business address

10th Floor Bangunan CIMB
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur MALAYSIA
Tel : (03) 2084 8888

Registered address

8th Floor Bangunan CIMB
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur MALAYSIA
Tel : (03) 2084 8888

Postal address

Principal Asset Management Berhad
PO Box 10571
50718 Kuala Lumpur MALAYSIA

Customer Care Centre

50, 52 & 54, Jalan SS21/39
Damansara Utama
47400 Petaling Jaya Selangor MALAYSIA
Tel : (03) 7718 3000
Fax : (03) 7718 3003

Website

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

E-mail

service@principal.com.my

Board of Directors

Effendy bin Shahul Hamid
Pedro Esteban Borda
Juan Ignacio Eyzaguirre Baraona
Munirah binti Khairuddin
Paul Wong Chee Kin
Thomas Cheong Wee Yee[#]
A.Huzaim bin Dato' Abdul Hamid*
Hisham bin Zainal Mokhtar*
Wong Joon Hian*

Alternate director to Pedro Esteban Borda with effect from 8 November 2019

** Independent director*

Solicitors

Soon Gan Dion & Partners
1st Floor, 73, Jalan SS21/1A
Damansara Utama
47400 Petaling Jaya
Selangor MALAYSIA
Tel : (03) 7726 3168
Fax : (03) 7726 3445

Federation of Investment Managers Malaysia (FIMM)

19-06-1, 6th Floor Wisma Tune
No.19, Lorong Dungun
Damansara Heights
50490 Kuala Lumpur MALAYSIA
Tel : (03) 2092 3800
E-mail : info@fimm.com.my
Website : <http://www.fimm.com.my>

Investment Committee

Kim Teo Poh Jin*
A. Huzaim bin Dato' Abdul Hamid*
Yoon Mun Thim*
Peter James Warnes*
Mohamad Safri Shahrul Hamid
Alejandro Elias Echegorri Rodriguez

**Independent member*

Audit Committee

Pedro Esteban Borda
Hisham bin Zainal Mokhtar*
Wong Joon Hian*

** Independent Member*

Company Secretaries

Phang Ai Tee (MAICSA No. 7013346)
8th Floor Bangunan CIMB
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur MALAYSIA
Tel : (03) 2084 8888

The Scheme Trustee

Deutsche Trustees Malaysia Berhad

Business/Registered address

Level 20, Menara IMC
8, Jalan Sultan Ismail
50250 Kuala Lumpur MALAYSIA
Tel : (03) 2053 7522

Delegate of Deutsche Trustees Malaysia Berhad

(Local & Foreign custodian)
Deutsche Bank (Malaysia) Berhad

Registered address

Level 18, Menara IMC
8, Jalan Sultan Ismail
50250 Kuala Lumpur MALAYSIA
Tel : (03) 2053 6788

Business address

Levels 18-20, Menara IMC
8, Jalan Sultan Ismail
50250 Kuala Lumpur MALAYSIA
Tel : (03) 2053 6788

Sub-Adviser of the Funds

Principal Asset Management (S) Pte. Ltd.

Business/Registered address

Principal Asset Management (S) Pte Ltd
50 Raffles Place
#22-03A&B Singapore Land Tower
Singapore 048623
<http://www.principal.com.sg>

Auditors of the PRS Provider and of the Scheme

PricewaterhouseCoopers
Chartered Accountants
Level 10, 1 Sentral
Jalan Rakyat, Kuala Lumpur Sentral
PO Box 10192
50706 Kuala Lumpur MALAYSIA

Tax Adviser

PricewaterhouseCoopers Taxation Services Sdn. Bhd.
Level 10, 1 Sentral
Jalan Rakyat, Kuala Lumpur Sentral
PO Box 10192
50706 Kuala Lumpur MALAYSIA

Principal Banker

CIMB Bank Berhad
Menara CIMB,
Jalan Stesen Sentral 2,
Kuala Lumpur Sentral,
50350 Kuala Lumpur MALAYSIA

1. SCHEME AND FUND INFORMATION

1.1. SCHEME INFORMATION

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

Principal PRS Plus		Page																
General information	<p>The Scheme is an investment Scheme designed to facilitate you to accumulate savings* for retirement. The Scheme comprises of a range of retirement funds, which you may choose to invest based on your retirement needs, risk appetite and age profile.</p> <p><i>* The Funds are neither capital guaranteed nor capital protected funds.</i></p>	25																
Benefits of contributing to the Scheme	<p>In addition to facilitate you in saving for your retirement, the Scheme provides the following benefits:</p> <ul style="list-style-type: none"> ▪ Tax savings A tax relief* of up to RM3,000 a year is allowed for personal contributions made into the Scheme. ▪ Choice You can personalize and select a combination of the Funds that best suits your risk and return preference. You have the flexibility to choose Funds that invest in the domestic and/or regional markets. ▪ Convenience and flexibility The Scheme allows automatic monthly contributions. You can determine the amount and time of contribution into the Scheme subject to the minimum amount stated in the Transaction Information chapter. <p><i>*For contributions into the PRS and deferred annuities effective from years of assessment 2012 to 2021 and is subject to terms and conditions and/or any amendment/modifications as may be imposed/required by the government or relevant authorities from time to time.</i></p>	25																
Number of Funds within the Scheme	<p>The Scheme consists of the following 5 Funds:</p> <table border="1"> <thead> <tr> <th>Funds</th> <th>Fund Category</th> </tr> </thead> <tbody> <tr> <td colspan="2">Core Funds</td> </tr> <tr> <td>Principal PRS Plus Conservative</td> <td>Core (Conservative)</td> </tr> <tr> <td>Principal PRS Plus Moderate</td> <td>Core (Moderate)</td> </tr> <tr> <td>Principal PRS Plus Growth</td> <td>Core (Growth)</td> </tr> <tr> <td colspan="2">Non-Core Funds</td> </tr> <tr> <td>Principal PRS Plus Equity</td> <td>Equity</td> </tr> <tr> <td>Principal PRS Plus Asia Pacific Ex Japan Equity</td> <td>Feeder Fund - Equity</td> </tr> </tbody> </table>	Funds	Fund Category	Core Funds		Principal PRS Plus Conservative	Core (Conservative)	Principal PRS Plus Moderate	Core (Moderate)	Principal PRS Plus Growth	Core (Growth)	Non-Core Funds		Principal PRS Plus Equity	Equity	Principal PRS Plus Asia Pacific Ex Japan Equity	Feeder Fund - Equity	25
Funds	Fund Category																	
Core Funds																		
Principal PRS Plus Conservative	Core (Conservative)																	
Principal PRS Plus Moderate	Core (Moderate)																	
Principal PRS Plus Growth	Core (Growth)																	
Non-Core Funds																		
Principal PRS Plus Equity	Equity																	
Principal PRS Plus Asia Pacific Ex Japan Equity	Feeder Fund - Equity																	
Brief descriptions on operations	<p>You may contribute to the Scheme by selecting any one or a combination of the Funds. However, if you choose to let us determine the Fund for you, we will allocate your contributions into the Default Option that corresponds to your age as listed in the table below:</p> <table border="1"> <thead> <tr> <th>Age</th> <th>Fund</th> </tr> </thead> <tbody> <tr> <td>55 years and above</td> <td>Principal PRS Plus Conservative</td> </tr> <tr> <td>45 years and above but have not yet reached 55 years*</td> <td>Principal PRS Plus Moderate</td> </tr> <tr> <td>Below 45 years*</td> <td>Principal PRS Plus Growth</td> </tr> </tbody> </table> <p><i>*Should you become a Member and have made your first contribution to the Scheme a month before you attain the age of 45 or 55 years old, we will allocate such contribution to the Principal PRS Plus Moderate or the Principal PRS Plus Conservative as the case may be.</i></p> <p>Where you are in the Default Option, we will:</p> <ol style="list-style-type: none"> a) withdraw the Units in the Principal PRS Plus Growth and purchase Units in the Principal PRS Plus Moderate before the end of the next calendar month from the day you attain the age of 45 years old; 	Age	Fund	55 years and above	Principal PRS Plus Conservative	45 years and above but have not yet reached 55 years*	Principal PRS Plus Moderate	Below 45 years*	Principal PRS Plus Growth	25								
Age	Fund																	
55 years and above	Principal PRS Plus Conservative																	
45 years and above but have not yet reached 55 years*	Principal PRS Plus Moderate																	
Below 45 years*	Principal PRS Plus Growth																	

- b) withdraw the Units in the Principal PRS Plus Moderate and purchase Units in the Principal PRS Plus Conservative before the end of the next calendar month from the day you attain the age of 55 years old.

Note: *The age limit above may be subject to changes as may be determined by the relevant authorities from time to time.*

Permitted withdrawals and pre-retirement withdrawals

All contributions made by or on behalf of the Members will be split upon each contribution being made and maintained in two separate sub-accounts:

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- Sub-account A refers to a sub-account maintained for you which holds 70% of Member's contributions.
- Sub-account B refers to a sub-account maintained for you which holds 30% of Member's contributions.

Subject to permitted reasons for withdrawals, you may not make a withdrawal from any of the Funds until you reach the Retirement Age. Upon reaching the Retirement Age, you shall be entitled to withdraw the full amount accumulated in the Funds held by you as Accrued Benefits without payment of any tax penalty. Pre-retirement withdrawal before attaining the Retirement Age is allowed for sub-account B and is subject to payment of tax penalty of 8% (or such other applicable tax penalty) of the amount withdrawn, which will be deducted by us. For the avoidance of doubt, the tax penalty would not apply for pre-retirement withdrawals due to:

- (i) death of Member;
- (ii) permanent departure of the Member from Malaysia;
- (iii) due to permanent total disablement, serious disease or mental disability of a member;
- (iv) for healthcare purpose;
- (v) for housing purpose;

or such other conditions as may be imposed by any government authorities.

Withdrawals may be requested by the Member once every calendar year from each PRS provider (from one or multiple funds under any scheme(s) managed by that PRS provider) provided that no withdrawal can be made from a scheme where the individual has been a Member of that scheme (whether via Member contribution or employer contribution) for less than one (1) year.

Note:

- *For withdrawals following the death of a Member, we must obtain prior authorisation from the PPA before processing the withdrawal.*
- *Unless the context stated otherwise, all withdrawal transaction is only allowed for Vested Units.*

1.2. FUND INFORMATION

Principal PRS Plus Conservative		Page
Fund category	Core (Conservative)	
Investment objective	<p>The Fund seeks to provide Members with capital preservation* through investment primarily in fixed income instruments.</p> <p><i>*The Fund is neither a capital guaranteed fund nor a capital protected fund.</i></p>	27
Benchmark	<p>60% Quant shop MGS Short Index + 20% CIMB Bank 1-Year Fixed Deposit Rate + 20% FTSE Bursa Malaysia Top 100.</p> <p>Note: The Fund's benchmark is for performance comparison purpose only. The risk profile of the Fund is not the same as the risk profile of the benchmark.</p>	27
Investment policy and principal investment strategy	<p>The Fund aims to invest in a diversified portfolio of primarily fixed income instruments with some exposure in equities. The fixed income portion will provide capital stability to the Fund whilst the equity portion will provide the added return in a rising market. The Fund may opt to invest in fixed income instruments, money market instruments and equities either directly or via CIS.</p> <p>Before 1 June 2020</p> <p>At least 80% of the Fund's NAV will be invested in fixed income instruments and money market instruments, of which a minimum 20% of the Fund's NAV will be invested in money market instruments, all of which have a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC. The investments in equities shall not exceed 20% of the Fund's NAV.</p> <p>With effect from 1 June 2020</p> <p>At least 80% of the Fund's NAV will be invested in local and/or foreign fixed income instruments and money market instruments, of which a minimum 20% of the Fund's NAV will be invested in money market instruments, all of which have a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC or "BBB" or "A-2" by S&P or equivalent rating by any other international rating agencies. Notwithstanding, the Fund may invest up to 5% of its NAV in unrated fixed income instruments. The investments in equities which include foreign exposure shall not exceed 20% of the Fund's NAV.</p>	27
Asset allocation	<p>Before 1 June 2020</p> <ul style="list-style-type: none"> ▪ At least 80% of the Fund's NAV will be invested in fixed income instruments and money market instruments, of which a minimum 20% of the Fund's NAV will be invested in money market instruments; ▪ Up to 20% of the Fund's NAV may be invested in equities; and ▪ Up to 5% of the Fund's NAV may be invested in liquid assets for liquidity purpose. <p>With effect from 1 June 2020</p> <ul style="list-style-type: none"> ▪ At least 80% of the Fund's NAV will be invested in fixed income instruments and money market instruments, of which a minimum 20% of the Fund's NAV will be invested in money market instruments and up to 5% of the Fund's NAV may be invested in unrated fixed income instruments; ▪ Up to 20% of the Fund's NAV will be invested in equities; and ▪ Up to 5% of the Fund's NAV will be invested in liquid assets for liquidity purpose. 	27
Principal risks	Stock specific risk, credit and default risk, interest rate risk country risk and currency risk.	21
Member profile	<p>This Fund is suitable for Members who:</p> <ul style="list-style-type: none"> ▪ are risk averse; and/or ▪ are seeking capital preservation. <p>Note: Where the Member is in the Default Option, this Fund is selected for a Member who is 55 years and above.</p>	
Distribution policy	The Fund is not expected to pay any distribution.	52
Launch date	12 November 2012.	
Financial year-end	31 January.	53

Fund category	Core (Moderate)	
Investment objective	The Fund seeks to provide a moderate level of capital growth over the long-term by investing in a diversified portfolio of equity and fixed income instruments.	29
Benchmark	60% FTSE Bursa Malaysia Top 100 + 40% Quant shop MGS Short Index. <i>Note: The Fund's benchmark is for performance comparison purpose only. The risk profile of the Fund is not the same as the risk profile of the benchmark.</i>	29
Investment policy and principal investment strategy	The Fund will invest in a mix of equities and fixed income instruments to provide a moderate level of capital growth to the Fund. The fixed income portion will provide capital stability to the Fund whilst the equity portion will provide the added return in a rising market. The Fund may opt to invest in fixed income instruments and equities either directly or via CIS. <u>Before 1 June 2020</u> The investments by the Fund in equities which include foreign exposure shall not exceed 60% of the Fund's NAV and investments in local and/or foreign fixed income instruments shall not be less than 40% of its NAV with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC or "BBB" or "A-2" by S&P or equivalent rating by any other international rating agencies. <u>With effect from 1 June 2020</u> The investments by the Fund in equities which include foreign exposure shall not exceed 60% of the Fund's NAV and investments in local and/or foreign fixed income instruments shall not be less than 40% of its NAV with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC or "BBB" or "A-2" by S&P or equivalent rating by any other international rating agencies. Notwithstanding, the Fund may also invest up to 5% of its NAV in unrated fixed income instruments.	29
Asset allocation	<u>Before 1 June 2020</u> <ul style="list-style-type: none"> ▪ At least 40% of the Fund's NAV will be invested in fixed income instruments; ▪ Up to 60% of the Fund's NAV may be invested in equities; and ▪ Up to 5% of the Fund's NAV may be invested in liquid assets for liquidity purpose. <u>With effect from 1 June 2020</u> <ul style="list-style-type: none"> ▪ At least 40% of the Fund's NAV will be invested in fixed income instruments, of which up to 5% of the Fund's NAV may be invested in unrated fixed income instruments; ▪ Up to 60% of the Fund's NAV may be invested in equities; and ▪ Up to 5% of the Fund's NAV may be invested in liquid assets for liquidity purpose. 	29
Principal risks	Stock specific risk, credit and default risk, interest rate risk, country risk, currency risk and risks associated with investment in warrants/options.	21
Member profile	This Fund is suitable for Members who: <ul style="list-style-type: none"> ▪ are seeking for capital appreciation; ▪ are willing to accept some fluctuations in the value of his/her investment; and/or ▪ want a diversified portfolio of equities and fixed income instruments that may have some foreign exposure. <i>Note: Where the Member is in the Default Option, this Fund is selected for a Member who is 45 years and above but has yet reached 55 years.</i>	
Distribution policy	The Fund is not expected to pay any distribution.	52
Launch date	12 November 2012.	
Financial year-end	31 January.	53

Fund category	Core (Growth)	
Investment objective	The Fund seeks to provide capital growth over the long-term by investing in a portfolio of primarily equities with some exposure in fixed income instruments.	30
Benchmark	<p><u>Before 1 June 2020</u> 70% FTSE Bursa Malaysia Top 100 + 30% Quant shop MGS Short Index.</p> <p><u>With effect from 1 June 2020*</u> 90% FTSE Bursa Malaysia Top 100 + 10% Quant shop MGS Short Index. *The benchmark composition will be changed to reflect the Fund's revised investment allocation.</p> <p>Note: The Fund's benchmark is for performance comparison purpose only. The risk profile of the Fund is not the same as the risk profile of the benchmark.</p>	30
Investment policy and principal investment strategy	<p>The Fund will invest in a portfolio of mixed assets, primarily in equities with some exposure in fixed income instruments, to provide capital growth to the Fund. The fixed income portion will provide capital stability to the Fund whilst the equity portion will provide the added return in a rising market. The Fund may opt to invest in fixed income instruments and equities either directly or via CIS.</p> <p><u>Before 1 June 2020</u> The investments by the Fund in equities which include foreign exposure may be up to 90% of the Fund's NAV and investments in local and/or foreign fixed income instruments will be at least 30% of its NAV with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC or "BBB" by S&P or equivalent rating by any other international rating agencies.</p> <p><u>With effect from 1 June 2020</u> The investments by the Fund in equities which include foreign exposure may be up to 90% of the Fund's NAV and investments in local and/or foreign fixed income instruments will be at least 10% of its NAV with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC or "BBB" or "A-2" by S&P or equivalent rating by any other international rating agencies. Notwithstanding, the Fund may also invest up to 10% of its NAV in unrated fixed income instruments.</p>	30
Asset allocation	<p><u>Before 1 June 2020</u></p> <ul style="list-style-type: none"> ▪ At least 30% of the Fund's NAV will be invested in fixed income instruments; ▪ Up to 70% of the Fund's NAV may be invested in equities; and ▪ Up to 5% of the Fund's NAV may be invested in liquid assets for liquidity purpose. <p><u>With effect from 1 June 2020</u></p> <ul style="list-style-type: none"> ▪ At least 10% of the Fund's NAV will be invested in fixed income instruments; ▪ Up to 10% of the Fund's NAV may be invested in unrated fixed income instruments; ▪ Up to 90% of the Fund's NAV may be invested in equities; and ▪ Up to 5% of the Fund's NAV may be invested in liquid assets for liquidity purpose. 	30
Principal risks	Stock specific risk, credit and default risk, interest rate risk, country risk, currency risk and risks associated with investment in warrants/options.	21
Member profile	<p>This Fund is suitable for Members who:</p> <ul style="list-style-type: none"> ▪ are seeking for capital appreciation; ▪ are willing to accept volatility in the value of his/her investment; and/or ▪ want a diversified portfolio of equities and fixed income instruments that may have some foreign exposure. <p>Note: Where the Member is in the Default Option, this Fund is selected for a Member who is below 45 years.</p>	
Distribution policy	The Fund is not expected to pay any distribution.	52
Launch date	12 November 2012.	
Financial year-end	31 January.	53

Fund category	Equity	
Investment objective	The Fund seeks to provide capital growth over the long-term by investing in the domestic market.	32
Benchmark	<p>The Fund has a target return of 8% per annum.</p> <p>This is not a guaranteed return and is only a measurement of the Fund's performance. The Fund may not achieve the target return in any particular financial year but targets to achieve this growth over the long-term.</p> <p><i>Note: The Fund's benchmark is for performance comparison purpose only. The risk profile of the Fund is not the same as the risk profile of the benchmark.</i></p>	32
Investment policy and principal investment strategy	<p>The Fund is managed to achieve a defined target return over the long-term through investments in the domestic market. The Fund will invest between 70% to 99.8% (both inclusive) of the Fund's NAV in equities.</p> <p>However, the Fund may take temporary defensive positions that may detract from the Fund's prescribed asset allocation when we believe that the equity market is experiencing excessive volatility, expected prolonged declines or when the outlook of the equity market is unfavourable. Under these circumstances, the Fund may reduce its equity exposure and increase its investment in money market instruments to protect the Fund's investment objective in bearish or non-performing equity market.</p>	32
Asset allocation	<ul style="list-style-type: none"> ▪ Between 70% to 99.8% (both inclusive) of the Fund's NAV will be invested in equities; and ▪ At least 0.2% of the Fund's NAV will be invested in liquid assets for liquidity purpose. 	32
Principal risks	Stock specific risk and risks associated with investment in warrants/options.	21
Member profile	<p>This Fund is suitable for Members who:</p> <ul style="list-style-type: none"> ▪ are seeking for capital appreciation; and/or ▪ are willing to accept significant fluctuation in the value of his/her investment. 	
Distribution policy	The Fund is not expected to pay any distribution.	52
Launch date	12 November 2012.	
Financial year-end	31 January.	53

Principal PRS Plus Asia Pacific Ex Japan Equity		Page															
Fund category	Feeder Fund – Equity.	33															
Investment objective	The Fund seeks to provide capital growth over the long-term by investing in a target fund with investments in the Asia Pacific ex Japan region.	33															
Benchmark	<p>The Fund has a target return of 8% per annum.</p> <p>This is not a guaranteed return and is only a measurement of the Fund's performance. The Fund may not achieve the target return in any particular financial year but targets to achieve this growth over the long-term.</p> <p><i>Note: The Fund's benchmark is for performance comparison purpose only. The risk profile of the Fund is not the same as the risk profile of the benchmark.</i></p>	33															
Investment policy and principal investment strategy	<p><u>Before 1 June 2020</u></p> <p>The Fund will invest at least 95% of its NAV in the Principal Asia Pacific Dynamic Income Fund (formerly known as CIMB-Principal Asia Pacific Dynamic Income Fund) ("Target Fund"), a Malaysian-domiciled fund established on 25 April 2011, which invests in the Asia Pacific ex Japan region. The Fund may also maintain up to 5% of its NAV in liquid assets.</p> <p><u>With effect from 1 June 2020</u></p> <p>The Fund will invest at least 85% of its NAV in the Principal Asia Pacific Dynamic Income Fund (formerly known as CIMB-Principal Asia Pacific Dynamic Income Fund) ("Target Fund"), a Malaysian-domiciled fund established on 25 April 2011, which invests in the Asia Pacific ex Japan region. The Fund may also maintain up to 15% of its NAV in liquid assets.</p> <p>Information on the Target Fund</p> <table border="1"> <tbody> <tr> <td>Target Fund</td> <td>:</td> <td>Principal Asia Pacific Dynamic Income Fund</td> </tr> <tr> <td>Target Fund Manager</td> <td>:</td> <td>Principal Asset Management Berhad</td> </tr> <tr> <td>Target Fund Sub-Manager</td> <td>:</td> <td>Principal Asset Management (S) Pte Ltd</td> </tr> <tr> <td>Regulatory authority</td> <td>:</td> <td>Securities Commission Malaysia</td> </tr> <tr> <td>Country of domicile</td> <td>:</td> <td>Malaysia</td> </tr> </tbody> </table>	Target Fund	:	Principal Asia Pacific Dynamic Income Fund	Target Fund Manager	:	Principal Asset Management Berhad	Target Fund Sub-Manager	:	Principal Asset Management (S) Pte Ltd	Regulatory authority	:	Securities Commission Malaysia	Country of domicile	:	Malaysia	33
Target Fund	:	Principal Asia Pacific Dynamic Income Fund															
Target Fund Manager	:	Principal Asset Management Berhad															
Target Fund Sub-Manager	:	Principal Asset Management (S) Pte Ltd															
Regulatory authority	:	Securities Commission Malaysia															
Country of domicile	:	Malaysia															
Asset allocation	<p><u>Before 1 June 2020</u></p> <ul style="list-style-type: none"> ▪ At least 95% of the Fund's NAV will be invested in the Target Fund; and ▪ Up to 5% of the Fund's NAV may be invested in liquid assets for liquidity purpose. <p><u>With effect from 1 June 2020</u></p> <ul style="list-style-type: none"> ▪ At least 85% of the Fund's NAV will be invested in the Target Fund; and ▪ Up to 15% of the Fund's NAV may be invested in liquid assets for liquidity purpose. 	33															
Principal risks	Risks associated with investment in the Target Fund.	21															
Target Fund risks	Stock specific risk, country risk, liquidity risk, currency risk, credit and default risk, interest rate risk, risk associated with investing in CIS and risk of investing in emerging markets.	23															
Member profile	<p>This Fund is suitable for Members who:</p> <ul style="list-style-type: none"> ▪ are seeking for capital appreciation; ▪ are willing to accept significant fluctuation in the value of his/her investment; and/or ▪ want investments in the Asia Pacific ex Japan region. 																
Distribution policy	The Fund is not expected to pay any distribution.	52															
Launch date	12 November 2012.																
Financial year-end	31 January.	53															

1.3. FEES & CHARGES

The following describes the charges that you may **directly** incur when you subscribe or withdraw Units of the Funds. The Sales Charge may differ between the Funds' respective Classes.

Funds	Sales Charge (% of the NAV per Unit)		
	Class A	Class C	Class X
Principal PRS Plus Conservative	3.00%	0.50%	Nil
Principal PRS Plus Moderate	3.00%	0.50%	Nil
Principal PRS Plus Growth	3.00%	0.50%	Nil
Principal PRS Plus Equity	3.00%	0.50%	Nil
Principal PRS Plus Asia Pacific Ex Japan Equity	3.00%	0.50%	Nil

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

Fees	Applicable to all Funds		
	Class A	Class C	Class X
Redemption Charge (% of the NAV per Unit)	Nil.		
Switching Fee	There is no Switching Fee charged for switching of Funds under the Scheme or switching between funds of different PRS managed by Principal Malaysia. Switching is not allowed between different classes.		
Transfer Fee (to another PRS provider)	A maximum of RM25 may be charged for each transfer to another PRS provider. Note: All transaction on the transfer between PRS provider are only allowed for Vested Units.		
Other charges payable directly by Members when purchasing or withdrawing Units	Any applicable bank charges and other bank fees incurred as a result of an investment or redemption will be borne by you.		

The following describes the fees that you may **indirectly** incur when you invest in the Funds. The fees may differ between the Funds' respective Classes.

Funds	Management Fee (% p.a. of the NAV of the Fund)		
	Class A	Class C	Class X
Principal PRS Plus Conservative	1.40%	1.50%	1.40%
Principal PRS Plus Moderate	1.40%	1.50%	1.40%
Principal PRS Plus Growth	1.40%	1.50%	1.40%
Principal PRS Plus Equity	1.40%	1.50%	1.40%
Principal PRS Plus Asia Pacific Ex Japan Equity	1.40%	1.50%	1.40%

Note: The annual Management Fee is accrued daily based on the NAV of the Fund and paid monthly.

Funds	Trustee Fee (% p.a. of the NAV of the Fund)		
	Class A	Class C	Class X
Principal PRS Plus Conservative	0.04%	0.04%	0.04%
Principal PRS Plus Moderate	0.04%	0.04%	0.04%
Principal PRS Plus Growth	0.04%	0.04%	0.04%
Principal PRS Plus Equity	0.04%	0.04%	0.04%
Principal PRS Plus Asia Pacific Ex Japan Equity	0.04%	0.04%	0.04%

Note: The annual Trustee Fee is accrued daily based on the NAV of the Fund and paid monthly. The Trustee Fee includes local custodian fees and charges but excludes foreign sub-custodian fees and charges.

Fees	Applicable to all Funds		
	Class A	Class C	Class X
Expenses directly related to Funds	Only expenses that are directly related to the Funds can be charged to the Funds. Examples of relevant expenses are audit fee and tax agent's fee.		
Other fees payable indirectly by a Member	Nil.		

This table describes the fees and charges charged by PPA. Information on the PPA can be obtained from <http://www.ppa.my>. You can also compare the fees and charges of other PRS by visiting this website.

Fees & Charges	Applicable to all Funds		
	Class A	Class C	Class X
PPA account opening fee	RM10*	RM10*	RM10**
PPA annual fee [^]	RM8		
PPA pre-retirement withdrawal fee	RM25 per transaction		
PPA transfer fee (to another PRS provider)	RM25 per transaction		
PPA administration fee [#]	0.04% p.a. of the Fund's NAV		

* This fee is to be waived on any of the following conditions:

- 1) Contribution of minimum RM1,000 per transaction;
- 2) Monthly RSP of minimum RM100 per month through authorized banks; or
- 3) Other conditions as we may decide from time to time.

** This fee will be borne by us.

[^] Not payable for the year the account is opened and on the year where there was no contribution.

[#] The annual PPA administration fee is accrued daily based on the NAV of the Fund and paid monthly.

The fees and charges payable to the PPA are subject to:

- 1) any amendments as may be determined by the PPA;
- 2) any discount/rebate/waiver as may be determined by the PPA during any promotional period that may be carried out by the PPA from time to time; and
- 3) any applicable taxes and/or duties as may be imposed by the government and/or the relevant authorities from time to time.

The following describes the fees charged by the Target Fund of Principal PRS Plus Asia Pacific Ex Japan Equity.

	Fees/Expenses	%
1	Application fee	Up to 6.50% of its NAV.
2	Withdrawal fee	Nil
3	Management fee	Up to 1.80% of its NAV.
4	Trustee fee	Up to 0.05% per annum of its NAV (including local custodian fee but excluding foreign sub-custodian fees and charges) on the NAV of the Fund. The foreign sub-custodian fee is dependent on the country invested and is charged monthly in arrears.

Please note that the application fee of the Target Fund will not be charged to the Fund. As this Fund will invest in units of the Target Fund, there are management fee and other fees incurred by this Fund. There is no double charging of annual management fee. The annual management fee charged by the Target Fund will be paid out of the Management Fee charged by us at the Fund level. Other fees that are not waived by the Target Fund will be also paid at the Fund level.

You should also note that there will be higher fees arising from the layered investment structure of the Fund.

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

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

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 and SC Guidelines. Where necessary, we will notify the Trustee and communicate to you or seek your approval on the amendments to the fees and charges. A supplementary or replacement disclosure document disclosing the new fees and charges will be issued should the fees and charges be increased. A notice period of ninety (90) days will be given to you prior to the effective date of the new fees and charges, which is in accordance with the SC Guidelines.

1.4. TRANSACTION INFORMATION

	Minimum initial contribution* (RM)	Minimum subsequent contribution* (RM)	Regular Savings Plan (RSP)		Minimum withdrawal
			Minimum initial contribution* (RM)	Minimum subsequent contribution* (RM)	
Class A					
Principal PRS Plus Conservative	100	50	100	50	RM50 or 100 Units
Principal PRS Plus Moderate	100	50	100	50	RM50 or 100 Units
Principal PRS Plus Growth	100	50	100	50	RM50 or 100 Units
Principal PRS Plus Equity	100	50	100	50	RM50 or 100 Units
Principal PRS Plus Asia Pacific Ex Japan Equity	100	50	100	50	RM50 or 100 Units
Class C					
Principal PRS Plus Conservative	100	50	100	50	RM50 or 100 Units
Principal PRS Plus Moderate	100	50	100	50	RM50 or 100 Units
Principal PRS Plus Growth	100	50	100	50	RM50 or 100 Units
Principal PRS Plus Equity	100	50	100	50	RM50 or 100 Units
Principal PRS Plus Asia Pacific Ex Japan Equity	100	50	100	50	RM50 or 100 Units
Class X					
Principal PRS Plus Conservative	Not applicable				RM100 or 200 Units
Principal PRS Plus Moderate					RM100 or 200 Units
Principal PRS Plus Growth					RM100 or 200 Units
Principal PRS Plus Equity					RM100 or 200 Units
Principal PRS Plus Asia Pacific Ex Japan Equity					RM100 or 200 Units

*The amount stipulated in the minimum initial contribution and minimum subsequent contribution includes any applicable fees and charges, such as Sales Charge and PPA account opening fee, as the case may be. In other words, the amount is gross of fees and charges.

Note:

- We reserve the right to change the above-stipulated amounts from time to time.
- All transfer from other PRS provider into Principal PRS Plus or Principal Islamic PRS Plus will subject to the minimum initial contribution amount of the Funds' respective Classes or any amount as may be determined by us from time to time.

	Applicable to all Funds		
	Class A	Class C	Class X
Switching	<p>Subject to our absolute discretion, you have the option to switch your existing contributions into any of the Funds under the Scheme or funds under the Principal Islamic PRS Plus. Switching is limited to once a month only regardless of whether it is switching of funds under the same PRS or switching between funds of different PRS managed by Principal Malaysia and switching is not allowed between different classes. Switching will be conducted based on the value of your investments in the Fund at the point of switching. The minimum amount for a switch must be equivalent to the minimum withdrawal amount applicable to a fund or such amounts as we may decide from time to time. Please note that the minimum amount for a switch must also meet the minimum initial contribution amount or the minimum subsequent contribution amount (as the case may be) applicable to the fund to be switched into. We may, at our absolute discretion, allow switching into (or out of) a Fund.</p> <p>Please note that your new contributions will not be allocated into the fund that you have switched into unless there is a request to change your investment direction for your new or future</p>		

	Applicable to all Funds		
	Class A	Class C	Class X
	contributions. Please refer to the “Switching” section under “Transaction Information” chapter for further details.		
Change of contribution direction for new contributions	You are entitled to change your contribution direction or investment choices in respect of your new contributions to the Funds, once a month, at no extra cost. All of your subsequent contributions will then be allocated to the new fund. Please refer to the “Change of Contribution Direction for New Contributions” section under “Transaction Information” chapter for further details.		
Transfer between PRS providers	Prior to a Member reaching the retirement age, Members are allowed to transfer their accrued benefits of any amount from one or multiple funds under the scheme(s) managed by that PRS provider once every calendar year to another PRS provider provided the individual has been a Member of that scheme (whether via Member contribution or employer contribution) for at least one (1) year and all the accrued benefit to be transferred from a particular fund must be transferred to one (1) other fund. A Member who has reached his retirement age will not be subject to the restriction above. All transaction on the transfer between PRS providers are only allowed for Vested Units. Please refer to the “Transfer between PRS providers” section under “Transaction Information” chapter for further details.		
Cooling-off period	Six (6) Business Days from the date the application form is received and accepted by us. Please note that this cooling-off right is only given to a first time Member registered with PPA who is investing with any PRS provider. Please refer to the “Cooling-off period” section under “Transaction Information” chapter for further details.		
Vesting of contribution	Vesting is only applicable to corporate clients. Please refer to the “Vesting of contribution” section under the “Transaction Information” chapter for further details.		

1.5. OTHER INFORMATION

1.5.1. Deed

The Scheme is governed by Deed dated 8 November 2012, First Supplemental Deed dated 2 January 2014, Second Supplemental Deed dated 25 November 2014 and Third Supplemental Deed dated 3 February 2020.

1.5.2. Avenues for advice available to prospective Members or lodge a complaint

If you have any questions about the information in this Disclosure Document or would like to know more about investing in this Scheme or would like to lodge a complaint, please contact our **Customer Care Centre** at **(03) 7718 3000** between 8:45 am to 5:45 pm (Malaysian time) on Mondays to Thursdays and between 8:45 am to 4:45 pm (Malaysian time) on Fridays (except on Selangor public holidays) or you can e-mail us at service@principal.com.my.

This is a Private Retirement Scheme.

There are fees and charges involved and you are advised to consider them before contributing to the Scheme.

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

Past performance of the Fund is not an indicator of its future performance.

2. RISK FACTORS

2.1. GENERAL RISKS OF INVESTING IN THE FUNDS

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 Disclosure Document.

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. You should also note that the fund is neither a capital guaranteed fund nor a capital protected fund. However, we reduce this risk by ensuring diligent management of the assets of the fund based on a structured investment process.

Legal risk and regulatory risk

The value of the fund may be affected by uncertainties in the legal and regulatory environment. A change in law or regulation made by government or regulatory body will materially impact the value of securities, business, sector or even market as a whole. These amendments to the laws and regulations may increase the costs of operating a business and hence reduce the attractiveness of its related investments. For example, if the regulatory body imposes a limit on the amount of margin an investment account is able to have, the impact on the stock market would be material as this change may force the existing investors who are currently breaching the limit to sell off their margined positions. You should also note that laws and guidelines relating to PRS may change and this may affect your PRS account and/or your ability to access your account balance.

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.

Risks associated with Default Option

If you are in the Default Option, your current investment will be automatically switched into another fund upon attaining the next age group. The NAV per Unit may be lower at the point of switching than the NAV per Unit when you initially contributed into the fund. Hence, you may have to suffer losses relating to your investment costs upon disposal. We will notify you one (1) month before you attain the next age group, that your current investments will be automatically switched into another fund.

Liquidity risk

Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the fund holds assets that are illiquid, or are difficult to dispose of, the value of the fund will be negatively affected when it has to sell such assets at unfavourable prices.

In line with the funds' objectives, we will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volumes and those that occasionally could encounter poor liquidity. This is expected to mitigate the risks for the entire portfolio without limiting the funds' growth potentials.

Inflation risk

This is the risk that your investment in the fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce your purchasing power even though the value of the investment in monetary terms has increased. This risk can be mitigated by investing in securities that can provide a positive real rate of return.

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. Although the occurrence of such events is very unlikely, we seek to reduce this risk by implementing a consistent and structured investment process, systematic operational procedures and processes along with stringent internal controls.

2.2. SPECIFIC RISKS ASSOCIATED WITH THE INVESTMENT PORTFOLIO OF THE FUNDS

There are specific risks associated with the investment portfolio of each Fund. The key ones include but are not limited to the following:

Risk	Fund
<p>Stock specific risk</p> <p>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.</p> <p>The impact is however reduced as the Fund invests in a wide portfolio of investments; thus, spreading the element of risk. Diversification can be achieved by investing in various</p>	<ul style="list-style-type: none"> ▪ Principal PRS Plus Conservative ▪ Principal PRS Plus Moderate ▪ Principal PRS Plus Growth ▪ Principal PRS Plus Equity

Risk	Fund
<p>companies across different industries or sectors that are uncorrelated. In addition, we will undertake an active bottom-up investment approach to ensure that the fundamentals of the stocks invested in are favourable.</p>	
<p>Credit and default risk</p> <p>The Fund will be exposed to a certain degree of credit and default risk of issuers or counterparties when the Fund invests in Deposits, debt securities, such as bonds, and/or conducts OTC transactions. Credit risk relates to the creditworthiness of the securities issuers or counterparties and their expected ability to make timely payment of profit and/or principal. Any adverse situations faced by the issuer or counterparties may impact the value as well as liquidity of the investments. Default risk relates to the risk that a securities issuer or counterparties either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the investments. This could adversely affect the value of the Fund.</p> <p>We aim to mitigate this risk by performing bottom-up and top-down credit research and analysis to determine the creditworthiness of its issuers or counterparties, and impose investment limits on exposures for issuers or counterparties with different credit profiles as a precautionary step to limit any loss that may arise directly or indirectly as a result of a defaulted transaction. In addition, we impose a minimum credit rating requirement as rated by either local and/or foreign rating agencies and manages the duration of the investment in accordance with the objective of the Fund. Please refer to the investment strategy of the respective Funds for more information.</p>	<ul style="list-style-type: none"> ▪ Principal PRS Plus Conservative ▪ Principal PRS Plus Moderate ▪ Principal PRS Plus Growth
<p>Interest rate risk</p> <p>Interest rate risk refers to the impact of interest rate changes on the valuation of fixed income securities and money market instruments. When interest rates rise, fixed income instruments' prices will tend to fall and vice versa. Therefore, the NAV of the Fund may also tend to fall when interest rates rise or are expected to rise. However, you should be aware that should the Fund hold a fixed income instruments until maturity, such price fluctuations would dissipate as it approaches maturity. In order to manage interest rates exposure of the Fund, we will manage the duration of the portfolio via shorter or longer tenured assets depending on our view of the future interest rate trend, which is based on our continuous fundamental research and analysis. As for Deposit, financial institutions may offer Deposits with lower interest rates when interest rates decrease. As such, this will reduce the potential returns of future Deposits placements which in turn will reduce the potential returns of the Fund.</p>	<ul style="list-style-type: none"> ▪ Principal PRS Plus Conservative ▪ Principal PRS Plus Moderate ▪ Principal PRS Plus Growth
<p>Country risk</p> <p>Investments of the Fund in any country 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 price of units to fall. To mitigate these risks, we will select securities that spread across various countries. The decision on diversification will be based on constant fundamental research and analysis of the global markets.</p>	<ul style="list-style-type: none"> ▪ Principal PRS Plus Conservative ▪ Principal PRS Plus Moderate ▪ Principal PRS Plus Growth
<p>Currency risk</p> <p>This risk is associated with investments that are quoted and/or priced in foreign currency denomination. You should be aware that if the RM appreciates against the currencies in which the portfolio of the investment is denominated, 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 movement of the foreign currencies against the base currency of the Fund (i.e. MYR) may therefore increase/decrease the capital gains/losses of the investment. The currency gains/losses are in addition to the capital gains/losses of the investment. Nevertheless, you should realise that currency risk is considered as one of the major risks to investments in foreign assets due to the volatile nature of the foreign exchange market. We may utilise a two pronged approach in order to mitigate the currency risk; firstly, by spreading the investments across differing currencies (i.e. diversification) and secondly, by hedging the currencies when it is deemed necessary.</p>	<ul style="list-style-type: none"> ▪ Principal PRS Plus Conservative ▪ Principal PRS Plus Moderate ▪ Principal PRS Plus Growth
<p>Risks associated with investment in warrants/options</p> <p>There are inherent risks associated with investment in warrants/options. The value of warrants/options are influenced by the current market price of the underlying security, the exercise price of the contract, the time to expiration of the contract and the estimate of the future volatility of the underlying security's price over the life of the contract. Generally, the</p>	<ul style="list-style-type: none"> ▪ Principal PRS Plus Moderate ▪ Principal PRS Plus Growth

Risk	Fund
erosion in value of warrants/options accelerates as it approaches its expiry date. Like securities, we will undertake fundamental research and analysis on these instruments to ensure that the risk to the portfolio is mitigated.	<ul style="list-style-type: none"> ▪ Principal PRS Plus Equity
<p>Risks associated with investment in the Target Fund</p> <p>As the Fund invests predominantly in the Target Fund, the Fund is therefore subject to the management risk of the management company and investment manager of the Target Fund. Should there be a substantial change in the Target Fund's structure which is not in line with the Fund's objective, we reserve the right to seek for alternative CIS that is consistent with the objective of the Fund, subject to your approval. During this transition period, we may liquidate the Fund's holdings from the Target Fund and hold up to 100% of its NAV in cash, which will deviate from the Fund's stipulated investment strategies.</p>	<ul style="list-style-type: none"> ▪ Principal PRS Plus Asia Pacific Ex Japan Equity

2.3. SPECIFIC RISKS ASSOCIATED WITH THE TARGET FUND

As Principal PRS Plus Asia Pacific Ex Japan Equity invests predominantly in the Principal Asia Pacific Dynamic Income Fund ("Target Fund"), the Fund also assumes the risks associated with the Target Fund.

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 price of units to fall.
Liquidity risk
Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the Fund holds assets that are illiquid, or are difficult to dispose of, the value of the Fund will be negatively affected when it has to sell such assets at unfavourable prices.
Currency risk
<p>There are two (2) levels of currency risk associated with the investment of the Fund:</p> <ul style="list-style-type: none"> ▪ Currency risk at the Fund level As the investments of the Fund may be denominated in currencies other than the base currency of the Fund, any fluctuation in the exchange rate between the base currency of the Fund and the currencies in which the investments are denominated may have an impact on the value of these investments. You should be aware that if the currencies in which the investments are denominated depreciate against the base currency of the Fund, this will have an adverse effect on the NAV of the Fund and vice versa. You should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment. ▪ Currency risk at the Class level You should also be aware that currency risk is applicable to Class(es) which is in a different currency than the base currency of the Fund. The impact of the exchange rate movement between the base currency of the Fund and the currency denomination of the respective Class(es) may result in a depreciation of the value of your holdings as expressed in the currency denomination of the respective Class(es). <p>You should realise that currency risk is considered as one of the major risks due to the volatile nature of the foreign exchange market. When deemed necessary, we may utilize derivative instruments, subject to prevailing SC Guidelines, to hedge currency risk. If the Fund utilizes derivative for hedging against the base currency of the Fund, you should note that as a result of hedging, the Fund will not be able to enjoy the full benefits of currency movement in the event of a favourable movement of currency.</p>
Credit and default risk
The Fund will be exposed to a certain degree of credit and default risk of issuers or counterparties when the Fund invests in debt securities, money market instruments and/or place Deposits. Credit risk relates to the creditworthiness of the securities issuers or counterparties and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer or counterparties may impact the value as well as liquidity of the investments. In the case of rated debt securities, this may lead to a credit downgrade. Default risk relates to the risk that a securities issuer or

counterparties either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the investments. This could adversely affect the value of the Fund. We aim to mitigate this risk by performing bottom-up and top-down credit research and analysis to determine the creditworthiness of its issuers or counterparties, and impose investment limits on exposures for issuers or counterparties with different credit profiles as a precautionary step to limit any loss that may arise directly or indirectly as a result of a defaulted transaction.

Interest rate risk

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

Risk associated with investing in CIS

Since the Target Fund may invest into CIS, there is a risk of concentration into CIS, in which the CIS's management company has absolute discretion over the CIS's investment technique and knowledge, operational controls and management. In the event of mismanagement of the CIS and/or the management company, the NAV of the Target Fund, which invests into those CIS would be affected negatively. Should the situation arise, we will seek for another CIS that is consistent with the objective of this Fund.

Risk of investing in emerging markets

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

The Funds are managed and portfolios are constructed within pre-determined parameters, which have been established by taking into consideration the objective of the Funds, their targeted performance against benchmark, risk budgets and controls. The risk management team, within the investment team, monitors and reviews the Funds regularly to ensure that the portfolio parameters are adhered to.

The above summary of risks does not purport to be an exhaustive list of all the risk factors relating to investments in the Funds and are not set out in any particular order of priority. You should be aware that an investment in a PRS 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.

3. SCHEME DETAILS

3.1. PRINCIPAL PRS PLUS

Principal PRS Plus (“Scheme”) is an investment scheme designed to facilitate Members to accumulate savings for retirement. The Scheme comprises a range of retirement funds, which Members may choose to invest based on their retirement needs, risk appetite and age profile.

The Funds are neither capital guaranteed nor capital protected funds.

In addition to facilitate individuals in savings for their retirement, the Scheme provides the following benefits:

- **Tax savings**
A tax relief* of up to RM3,000 a year is allowed for personal contributions made into the Scheme.
- **Choice**
You can personalize and select a combination of the Funds that best suits your risk and return preference. You have the flexibility to choose Funds that invest in the domestic and regional markets.
- **Convenience and flexibility**
The Scheme allows automatic monthly contributions. You can determine the amount and time of contribution into the Scheme subject to the minimum amount stated in the Transaction Information chapter.

Note: *For contributions into the PRS and deferred annuities effective from years of assessment 2012 to 2021 and is subject to terms and conditions and/or any amendment/modifications as may be imposed/required by the government or relevant authorities from time to time.

The Scheme consists of the following Funds:

Core Funds	Non-Core Funds
Principal PRS Plus Conservative	Principal PRS Plus Equity
Principal PRS Plus Moderate	Principal PRS Plus Asia Pacific Ex Japan Equity
Principal PRS Plus Growth	

You may contribute to the Scheme by selecting any one or a combination of the Funds. However, if you choose to have us determine the Fund for you, we will allocate your contributions into the Default Option that corresponds to your age as listed in the table below. A Member Statement will be sent to you to notify that you have been allocated to the Default Option.

Age	Funds
55 years and above	Principal PRS Plus Conservative
45 years and above but have not yet reached 55 years*	Principal PRS Plus Moderate
Below 45 years*	Principal PRS Plus Growth

*Should you become a Member and have made your first contribution to the Scheme a month before you attain the age of 45 or 55 years old, we will allocate such contribution to the Principal PRS Plus Moderate or the Principal PRS Plus Conservative as the case may be.

Where you are in the Default Option, we will:

- withdraw the Units in the Principal PRS Plus Growth and purchase Units in the Principal PRS Plus Moderate before the end of the next calendar month from the day you attain the age of 45 years;
- withdraw the Units in the Principal PRS Plus Moderate and purchase Units in the Principal PRS Plus Conservative before the end of the next calendar month from the day you attain the age of 55 years.

We will notify you one (1) month prior to you attaining the age specified above that your investments in the Fund will be switched in accordance with the rules of the Default Option unless you instruct otherwise.

Note: The age limit above may be subject to changes as may be determined by the relevant authorities from time to time.

All contributions made by or on behalf of you will be split upon each contribution being made and maintained in two (2) separate sub-accounts by us as follows:

- Sub-account A which refers to a sub-account maintained for you which holds 70% of all contributions made to any of the Funds.
- Sub-account B which refers to a sub-account maintained for you which holds 30% of all contributions made to any of the Funds.

Subject to permitted reasons for withdrawals, you may not make a withdrawal from any of the Funds until you reach the Retirement Age. Upon reaching the Retirement Age, you shall be entitled to withdraw the full amount accumulated in the Funds held by you as Accrued Benefits without payment of any tax penalty.

Request for payment for withdrawals from any of the Funds may be made in part or in full and for the following circumstances and as follows:

No	Circumstances for withdrawal	Sub-account	Extend of withdrawals	Subject to tax penalty
(a)	Upon reaching Retirement Age	A & B	Partial or full	No
(b)	Pre-retirement withdrawals	B	Partial or full	Yes
(c)	Death of Member	A & B	Partial or full	No
(d)	Permanent departure of a member from Malaysia	A & B	Full	No
(e)	Due to permanent total disablement, serious disease or mental disability of a member	A & B	Full	No
(f)	For healthcare purpose	B	Partial or full	No
(g)	For housing purpose	B	Partial or full	No

Please note that the above table may subject to such amendments, modification, variation and/or exemption as may be determined by the SC, PPA and/or relevant ministry or authorities from time to time. Please refer to “Permitted Withdrawals and Pre-retirement Withdrawals” section on page 49 for further information.

The Trustee for the Scheme is Deutsche Trustees Malaysia Berhad.

4. FUNDS INFORMATION

4.1. FUNDS DETAILS

4.1.1. PRINCIPAL PRS PLUS CONSERVATIVE

Investment objective

The Fund seeks to provide Members with capital preservation* through investment primarily in fixed income instruments.

**The Fund is neither a capital guaranteed fund nor a capital protected fund.*

Any material changes to the Fund's investment objective would require your approval.

Benchmark

The benchmark of the Fund is a composite comprising 60% Quant shop MGS Short Index + 20% CIMB Bank 1-Year Fixed Deposit Rate + 20% FTSE Bursa Malaysia Top 100.

Information on the FTSE Bursa Malaysia Top 100 Index can be obtained from <http://www.bursamalaysia.com>.

Information on the Quant shop MGS Short Index can be obtained from <http://www.quantshop.com>.

Information on the CIMB Bank 1-Year Fixed Deposit Rate can be obtained from <http://www.cimbbank.com.my>.

Information on the composite benchmark can be obtained from <http://www.principal.com.my>

Note: *The benchmark is for performance comparison purpose only. The benchmark is customised as such to align it closer to the structure of the portfolio and the objective of the Fund. You are cautioned that the risk profile of the Fund is not the same as the risk profile of the benchmark.*

Investment policy and principal investment strategy

The Fund aims to invest in a diversified portfolio of primarily fixed income instruments with some exposure in equities. The fixed income portion will provide capital stability to the Fund whilst the equity portion will provide the added return in a rising market. The Fund may opt to invest in fixed income instruments, money market instruments and equities either directly or via CIS.

Before 1 June 2020

At least 80% of the Fund's NAV will be invested in fixed income instruments and money market instruments, of which a minimum 20% of the Fund's NAV will be invested in money market instruments, all of which have a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC. The investments in equities shall not exceed 20% of the Fund's NAV.

The asset allocation strategy for this Fund is as follows:

- At least 80% of the Fund's NAV will be invested in fixed income instruments and money market instruments, of which a minimum 20% of the Fund's NAV will be invested in money market instruments;
- Up to 20% of the Fund's NAV may be invested in equities; and
- Up to 5% of the Fund's NAV may be invested in liquid assets for liquidity purpose.

With effect from 1 June 2020

At least 80% of the Fund's NAV will be invested in local and/or foreign fixed income instruments and money market instruments, of which a minimum 20% of the Fund's NAV will be invested in money market instruments, all of which have a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC or "BBB" or "A-2" by S&P or equivalent rating by any other international rating agencies. Notwithstanding, the Fund may invest up to 5% of its NAV in unrated fixed income instruments. The investments in equities which include foreign exposure shall not exceed 20% of the Fund's NAV.

The asset allocation strategy for this Fund is as follows:

- At least 80% of the Fund's NAV will be invested in fixed income instruments and money market instruments, of which a minimum 20% of the Fund's NAV will be invested in money market instruments and up to 5% of the Fund's NAV may be invested in unrated fixed income instruments;
- Up to 20% of the Fund's NAV will be invested in equities; and
- Up to 5% of the Fund's NAV will be invested in liquid assets for liquidity purpose.

With effect from 1 June 2020, Principal Singapore will be appointed as the Sub-Adviser of the Fund. Principal Singapore will provide investment research and recommendation to us in accordance with the investment objective and within the investment restrictions of the Fund.

We will adopt an active trading strategy with frequency that will depend on market conditions and market outlook. The Fund is managed within predetermined guidelines, as determined by our investment team in accordance with our outlook for the economy and financial markets. The equity portfolio is managed according to the outlook of the equity market, whereas the fixed income instruments portfolio is monitored according to three (3) parameters: tenure, credit ratings and sector. The duration of the fixed income instruments and the money market instruments portfolios are monitored and modified according

to our interest rate outlook (i.e. the sensitivity of the portfolio to interest rate changes). For investments in CIS, we will ensure that the investments are within the investment objective and strategy of the Fund.

In response to adverse conditions and as part of its risk management strategy, we may take temporary defensive positions that may detract from the Fund's prescribed asset allocation by reducing 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. Additionally, for investments in debt markets, the Fund may reduce holdings in longer tenured assets and channel these monies into shorter-term interest bearing Deposits. When deemed necessary, the Fund may also utilize derivative instruments, subject to the SC Guidelines, for purpose of hedging.

4.1.2. PRINCIPAL PRS PLUS MODERATE

Investment objective

The Fund seeks to provide a moderate level of capital growth over the long-term by investing in a diversified portfolio of equity and fixed income instruments.

Any material changes to the Fund's investment objective would require your approval.

Benchmark

As this Fund may invest up to 60% of its NAV in equities with the balance in fixed income instruments, the benchmark of the Fund is a composite comprising 60% FTSE Bursa Malaysia Top 100 Index + 40% Quant shop MGS Short Index.

Information on the FTSE Bursa Malaysia Top 100 Index can be obtained from <http://www.bursamalaysia.com>.

Information on the Quant shop MGS Short Index can be obtained from <http://www.quantshop.com>.

Information on the composite benchmark can be obtained from <http://www.principal.com.my>

Note: *The benchmark is for performance comparison purpose only. The benchmark is customised as such to align it closer to the structure of the portfolio and the objective of the Fund. You are cautioned that the risk profile of the Fund is not the same as the risk profile of the benchmark.*

Investment policy and principal investment strategy

The Fund will invest in a mix of equities and fixed income instruments to provide a moderate level of capital growth. The fixed income portion will provide capital stability to the Fund whilst the equity portion will provide the added return in a rising market. The Fund may opt to invest in fixed income instruments and equities either directly or via CIS.

Before 1 June 2020

The investments by the Fund in equities which include foreign exposure shall not exceed 60% of the Fund's NAV and investments in local and/or foreign fixed income instruments shall not be less than 40% of its NAV with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC or "BBB" or "A-2" by S&P or equivalent rating by any other international rating agencies.

The asset allocation strategy for this Fund is as follows:

- At least 40% of the Fund's NAV will be invested in fixed income instruments;
- Up to 60% of the Fund's NAV may be invested in equities; and
- Up to 5% of the Fund's NAV may be invested in liquid assets for liquidity purpose.

With effect from 1 June 2020

The investments by the Fund in equities which include foreign exposure shall not exceed 60% of the Fund's NAV and investments in local and/or foreign fixed income instruments shall not be less than 40% of its NAV with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC or "BBB" or "A-2" by S&P or equivalent rating by any other international rating agencies. Notwithstanding, the Fund may also invest up to 5% of its NAV in unrated fixed income instruments.

The asset allocation strategy for this Fund is as follows:

- At least 40% of the Fund's NAV will be invested in fixed income instruments, of which up to 5% of the Fund's NAV may be invested in unrated fixed income instruments;
- Up to 60% of the Fund's NAV may be invested in equities; and
- Up to 5% of the Fund's NAV may be invested in liquid assets for liquidity purpose.

With effect from 1 June 2020, Principal Singapore will be appointed as the Sub-Adviser of the Fund. Principal Singapore will provide investment research and recommendation to us in accordance with the investment objective and within the investment restrictions of the Fund.

We will adopt an active trading strategy with frequency that will depend on market conditions and market outlook. The Fund is managed within predetermined guidelines, as determined by our investment team in accordance with our outlook for the economy and financial markets. The equity portfolio is managed according to the outlook of the equity market, whereas the fixed income instruments portfolio is monitored according to three (3) parameters: tenure, credit ratings and sector. The duration of the fixed income instruments portfolio is also monitored and modified according to our interest rate outlook (i.e. the sensitivity of the portfolio to interest rate changes). For investments in CIS, we will ensure that the investments are within the investment objective and strategy of the Fund.

In response to adverse conditions and as part of its risk management strategy, we may take temporary defensive positions that may detract from the Fund's prescribed asset allocation by reducing 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. Additionally, for investments in debt markets, the Fund may reduce holdings in longer tenured assets and channel these monies into shorter-term interest bearing Deposits. When deemed necessary, the Fund may also utilize derivative instruments, subject to the SC Guidelines, for purpose of hedging.

4.1.3. PRINCIPAL PRS PLUS GROWTH

Investment objective

The Fund seeks to provide capital growth over the long-term by investing in a portfolio of primarily equities with some exposure in fixed income instruments.

Any material changes to the Fund's investment objective would require your approval.

Benchmark

Before 1 June 2020

The benchmark of the Fund is a composite comprising 70% FTSE Bursa Malaysia Top 100 Index + 30% Quant shop MGS Short Index.

With effect from 1 June 2020*

The benchmark of the Fund is a composite comprising 90% FTSE Bursa Malaysia Top 100 Index + 10% Quant shop MGS Short Index.

**The benchmark composition will be changed to reflect the Fund's revised investment allocation.*

Information on the FTSE Bursa Malaysia Top 100 Index can be obtained from <http://www.bursamalaysia.com>.

Information on the Quant shop MGS Short Index can be obtained from <http://www.quantshop.com>.

Information on the composite benchmark can be obtained from <http://www.principal.com.my>

Note: *The benchmark is for performance comparison purpose only. The benchmark is customised as such to align it closer to the structure of the portfolio and the objective of the Fund. You are cautioned that the risk profile of the Fund is not the same as the risk profile of the benchmark.*

Investment policy and principal investment strategy

The Fund will invest in a portfolio of mixed assets, primarily in equities with some exposure in fixed income instruments, to provide capital growth to the Fund. The fixed income portion will provide capital stability to the Fund whilst the equity portion will provide the added return in a rising market. The Fund may opt to invest in fixed income instruments and equities either directly or via CIS.

Before 1 June 2020

The investments by the Fund in equities which include foreign exposure may be up to 70% of the Fund's NAV and investments in local and/or foreign fixed income instruments will be at least 30% of its NAV with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC or "BBB" or "A-2" by S&P or equivalent rating by any other international rating agencies.

The asset allocation strategy for this Fund is as follows:

- At least 30% of the Fund's NAV will be invested in fixed income instruments;
- Up to 70% of the Fund's NAV may be invested in equities; and
- Up to 5% of the Fund's NAV may be invested in liquid assets for liquidity purpose.

With effect from 1 June 2020

The investments by the Fund in equities which include foreign exposure may be up to 90% of the Fund's NAV and investments in local and/or foreign fixed income instruments will be at least 10% of its NAV with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC or "BBB" or "A-2" by S&P or equivalent rating by any other international rating agencies. Notwithstanding, the Fund may also invest up to 10% of its NAV in unrated fixed income instruments.

The asset allocation strategy for this Fund is as follows:

- At least 10% of the Fund's NAV will be invested in fixed income instruments;
- Up to 10% of the Fund's NAV may be invested in unrated fixed income instruments;
- Up to 90% of the Fund's NAV may be invested in equities; and
- Up to 5% of the Fund's NAV may be invested in liquid assets for liquidity purpose.

With effect from 1 June 2020, Principal Singapore will be appointed as the Sub-Adviser of the Fund. Principal Singapore will provide investment research and recommendation to us in accordance with the investment objective and within the investment restrictions of the Fund.

We will adopt an active trading strategy with frequency that will depend on market conditions and market outlook. The Fund is managed within predetermined guidelines, as determined by our investment team in accordance with our outlook for the economy and financial markets. The equity portfolio is managed according to the outlook of the equity market, whereas the fixed income instruments portfolio is monitored according to three (3) parameters: tenure, credit ratings and sector. The duration of the fixed income instruments portfolio is also monitored and modified according to our interest rate outlook (i.e. the sensitivity of the portfolio to interest rate changes). For investments in CIS, we will ensure that the investments are within the investment objective and strategy of the Fund.

In response to adverse conditions and as part of its risk management strategy, we may take temporary defensive positions that may detract from the Fund's prescribed asset allocation by reducing 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. Additionally, for investments in debt markets, the Fund may reduce holdings in longer tenured assets and channel these monies into shorter-term interest-bearing Deposits. When deemed necessary, the Fund may also utilize derivative instruments, subject to the SC Guidelines, for purpose of hedging.

4.1.4. PRINCIPAL PRS PLUS EQUITY

Investment objective

The Fund seeks to provide capital growth over the long-term by investing in the domestic market.

Any material changes to the Fund's investment objective would require your approval.

Benchmark

The Fund has a target return of eight percent (8%) per annum. This is not a guaranteed return and is only a measurement of the Fund's performance. The Fund may not achieve the target return in any particular financial year but targets to achieve this growth over the long-term.

Information on the benchmark can be obtained from <http://www.principal.com.my>

Note: *The benchmark is for performance comparison purpose only. You are cautioned that the risk profile of the Fund is not the same as the risk profile of the benchmark.*

Investment policy and principal investment strategy

The Fund is managed with the aim to achieve a defined target return over the long-term through investments in the domestic market. The Fund will invest between 70% to 99.8% (both inclusive) of the Fund's NAV in equities and at least 0.2% of the Fund's NAV in liquid assets. The Fund will be managed within predetermined guidelines, as determined by our investment team in accordance with its outlook for the economy and financial markets. The Fund may opt to invest in equities either directly or via CIS.

The asset allocation strategy for this Fund is as follows:

- Between 70% to 99.8% (both inclusive) of the Fund's NAV will be invested in equities; and
- At least 0.2% of the Fund's NAV will be invested in liquid assets for liquidity purpose.

With effect from 1 June 2020, Principal Singapore will be appointed as the Sub-Adviser of the Fund. Principal Singapore will provide investment research and recommendation to us in accordance with the investment objective and within the investment restrictions of the Fund.

As part of its risk management strategy, the Fund is constructed and managed within pre-determined guidelines, as determined by our investment team, including risk returns trade-off which will be monitored and reviewed regularly. The risk management strategies and techniques employed include diversification of the Fund's asset allocation in terms of its exposure to various sectors, industries and companies.

We will adopt an active trading strategy with frequency that will depend on market conditions and market outlook. We may take temporary defensive positions that may detract from the Fund's prescribed asset allocation when we believe that the equity market is experiencing excessive volatility, expected prolonged declines or when the outlook of the equity market is unfavourable. Under these circumstances, the Fund may reduce its equity exposure and increase its investment in money market instruments to protect the Fund's investment objective in bearish or non performing equity market. In response to these adverse conditions, we may also utilize derivative instruments such as futures contracts to hedge the portfolio. The use of derivatives is subject to the prevailing SC Guidelines.

4.1.5. PRINCIPAL PRS PLUS ASIA PACIFIC EX JAPAN EQUITY

Investment objective

The Fund seeks to provide capital growth over the long-term by investing in a target fund with investments in the Asia Pacific ex Japan region.

Any material changes to the Fund's investment objective would require your approval.

Benchmark

The Fund has a target return of eight percent (8%) per annum. This is not a guaranteed return and is only a measurement of the Fund's performance. The Fund may not achieve the target return in any particular financial year but targets to achieve this growth over long-term.

Information on the benchmark can be obtained from <http://www.principal.com.my>

Note: *The benchmark is for performance comparison purpose only. You are cautioned that the risk profile of the Fund is not the same as the risk profile of the benchmark.*

Investment policy and principal investment strategy

Before 1 June 2020

The Fund will invest at least 95% of its NAV in the Principal Asia Pacific Dynamic Income Fund ("Target Fund"), a Malaysian-domiciled fund established on 25 April 2011, which invests in the Asia Pacific ex Japan region.

The asset allocation strategy for this Fund is as follows:

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

With effect from 1 June 2020

The Fund will invest at least 85% of its NAV in the Principal Asia Pacific Dynamic Income Fund ("Target Fund"), a Malaysian-domiciled fund established on 25 April 2011, which invests in the Asia Pacific ex Japan region.

The asset allocation strategy for this Fund is as follows:

- At least 85% of the Fund's NAV will be invested in the Target Fund; and
- Up to 15% of the Fund's NAV may be invested in liquid assets for liquidity purpose.

The investment strategy adheres to the SC Guidelines pertaining to a feeder fund. As such any changes to these guidelines would tantamount to a change in this investment strategy.

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

With effect from 1 June 2020, Principal Singapore will be appointed as the Sub-Adviser of the Fund. Principal Singapore will provide investment research and recommendation to us in accordance with the investment objective and within the investment restrictions of the Fund.

The Fund will be actively managed and the investment in the Fund will be rebalanced from time to time to meet sales and withdrawal transactions. As the Fund is a feeder fund, we do not intend to adopt temporary defensive position for the Fund in response to adverse market, economic and/or any other conditions to allow the Fund to mirror the performance of the Target Fund in either bullish or bearish market condition. However, the defensive strategies may be implemented at the Target Fund level subject to the Target Fund Manager's view on markets and strategy. You should note that the Target Fund Manager may or may not choose to adopt the temporary defensive position; this will in turn impact the performance of the Fund.

ABOUT PRINCIPAL ASIA PACIFIC DYNAMIC INCOME FUND

Principal Asia Pacific Dynamic Income Fund ("Target Fund") is a Malaysian-domiciled fund which was established on 25 April 2011 and approved by the Securities Commission Malaysia.

Target Fund Manager

The Target Fund is managed by Principal Asset Management Berhad ("Principal Malaysia"). Please refer to "the PRS Provider" chapter for more information on Principal Malaysia.

Target Fund Sub-Manager

Principal Singapore was appointed as the sub-manager for the Target Fund on 25 April 2011. Principal Singapore will be responsible for managing the Target Fund in accordance with the investment objective and within the investment restrictions of the Target Fund. Principal Malaysia shall be responsible for the review, monitoring and oversight of Principal Singapore in the performance of its duties and obligations in respect of the Fund.

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

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

Investment objective

The Target Fund aims to provide regular income by investing primarily in the Asia Pacific ex Japan region and at the same time aims to achieve capital appreciation over the medium to long term.

Benchmark

The performance of the Target Fund cannot be compared directly with any specific publicly available benchmark. However, the Target Fund has a target return of eight percent (8%) per annum.

This is not a guaranteed return and is only a measurement of the Target Fund's performance. The Target Fund may not achieve the target return in any particular financial year but targets to achieve this growth over the medium to long term. The term "medium to long term" refers to a period of three (3) years and more.

Investment policy and principal investment strategy

The Target Fund will be managed with the aim of achieving a stable and positive investment returns over the medium to long term through investments in Asia Pacific ex Japan region regardless of market conditions. The companies invested in must be domiciled in, listed in, and/or have significant operations in the Asia Pacific ex Japan region. For listed securities, the investment must be traded in an exchange that is a member of WFE. 'Significant operations' means major businesses of the company. For example, the Target Fund can invest in a company with significant business/operations in Thailand but listed on the New York Stock Exchange. The threshold for 'significant operations' would be if more than 25% of total group revenue is derived from countries in the Asia Pacific ex Japan region. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). The term "medium to long term" refers to a period of three (3) years and more.

Under general market conditions, the Target Fund's investment will focus on high dividend yielding equities of companies, which the Target Fund Sub-Manager believes will offer attractive yields*, sustainable dividend payments and/or will exhibit above average growth potential when compared to its industry or the overall market at the point of purchase. In addition, the Target Fund may also invest in companies with good growth potential[^], which the Target Fund Sub-Manager foresees may adopt a strong dividend payout[#] policy. The Target Fund may also invest up to 20% of the Target Fund's NAV in debt securities to be in line with the Target Fund's objective. The Target Fund's investments in debt securities will generally be restricted to debt securities with a minimum credit rating of "BBB" by an international rating agency as prescribed under the Standard of Qualifying CIS or its equivalent rating by other international rating agencies. The Target Fund may also opt to access into the equities and/or debt securities market via the investment in units of other CIS that is in line with the Target Fund's objectives, subject to the requirements of the SC Guidelines on Unit Trust Funds and the Standards of Qualifying CIS.

The asset allocation strategy for the Target Fund is as follows:

- between 60% to 98% (both inclusive) of the Target Fund's NAV will be invested in equities;
- up to 20% of the Target Fund's NAV may be invested in debt securities;
- up to 20% of the Target Fund's NAV may be invested in units of other CIS that is in line with the Target Fund's objectives; and
- at least 2% of its NAV will be invested in liquid assets for liquidity purpose.

However, the Target Fund Manager or the Target Fund Sub-Manager may take temporary defensive positions that may detract from the Target Fund's prescribed asset allocation when the Target Fund Manager or the Target Fund Sub-Manager believes that the equity markets that the Target Fund invests in are experiencing excessive volatility, expects prolonged declines, or when there are other adverse conditions, such as political instability. Under these circumstances, the Target Fund may invest all or a substantial portion of its assets in money market instruments to achieve the Target Fund's investment objective in bearish or non-performing equity markets. The Target Fund Sub-Manager may from time to time reduce its proportion of high risk assets, such as equities and increase its asset allocation to liquid assets such as money market instruments and/or deposits to safeguard the Target Fund.

In response to these adverse conditions, the Target Fund Manager or the Target Fund Sub-Manager may also utilise derivative instruments such as futures contracts to hedge the portfolio. In the event of a downgrade of a counter-party of an OTC derivative below the minimum long-term rating as per the SC Guidelines on Unit Trust Funds, the Target Fund Manager reserve the right to deal with the OTC derivative in the best interest of the Unit holders. The use of derivatives is subject to the prevailing SC regulations and Standards of Qualifying CIS.

The Target Fund will invest in markets where the regulatory authority is an ordinary or associate member of IOSCO. Where necessary, the Target Fund Manager will obtain the licenses/permits for investments in countries that require such licenses/permits. If the Target Fund Manager are unable to obtain the necessary licenses/permits, or the licenses/permits are revoked or not renewed (as the case may be), the Target Fund Manager or the Target Fund Sub-Manager will seek to invest in other accessible markets.

The Target Fund Manager have appointed Principal Singapore, a company incorporated in Singapore as the Target Fund Sub-Manager. Principal Singapore will be responsible for investing and managing the Target Fund in accordance with the investment objective and within the investment restrictions.

The Target Fund Sub-Manager will adopt an active investment strategy with frequency that will depend on the market conditions and the market outlook. The Target Fund Sub-Manager uses a bottom-up stock selection process in searching for potentially interesting companies that offer attractive yields, sustainable dividend payments and exhibit above average growth potentials than its industry or the overall market. To complement this strategy, the Target Fund Sub-Manager combines it with a top-down country and sector allocation process and will actively trade the securities in the portfolio of the Target Fund. Analysis and study will be made on the macroeconomic trends in Asia Pacific ex Japan economies where the investments are made; in particular, looking at the direction of GDP growth, interest rates, inflation, currencies and government policies to form the view and outlook for each country. This serves as part of the risk management framework that enables the Target Fund Sub-Manager to assess the impact of macroeconomic changes on corporate earnings and dividends and at the same time to determine if there are any predictable trends.

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

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

* Higher than the average equity yields in the respective country.

^ Companies that have a better growth than the GDP of the respective country and reasonably priced based on our estimate. Reasonably priced means when the intrinsic value is higher than the current market price.

Higher than the average dividend yields of companies in the respective country.

Risk management strategy of the Target Fund

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

In times of adversity in equity markets and as part of its risk management strategy, the Target Fund Manager and the Target Fund Sub-Manager may from time to time reduce its proportion of equities and increase its asset allocation to fixed income instruments and/or liquid assets such as deposits to safeguard the investment portfolio of the Target Fund. When deemed necessary, the Target Fund Sub-Manager may also utilize derivative instruments, subject to SC Guidelines on Unit Trust Funds, for purpose of hedging.

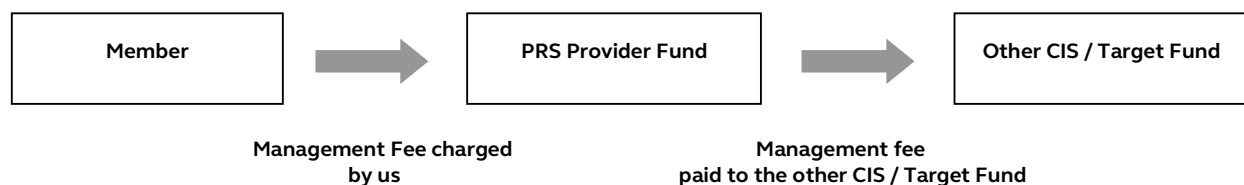
The Target Fund Sub-Manager will manage risks associated with fixed income portfolio according to three (3) parameters: tenure, credit ratings and sector. The duration of the fixed income portfolio is also monitored and modified according to the Target Fund Sub-Manager's interest rate outlook (i.e. the sensitivity of the portfolio to interest rate changes).

Fees charged by the Target Fund

	Fees/Expenses	%
1	Application fee	Up to 6.50% of its NAV.
2	Withdrawal fee	Nil.
3	Management fee	Up to 1.80% of its NAV.
4	Trustee fee	Up to 0.05% of its NAV (including local custodian fee but excluding foreign sub-custodian fees and charges) on the NAV of the Fund. The foreign sub-custodian fee is dependent on the country invested and is charged monthly in arrears.

Please note that the application fee of the Target Fund will not be charged to the Fund. As this Fund will invest in units of the Target Fund, there are management fee and other fees incurred by this Fund. There is no double charging of annual management fee. The annual management fee charged by the Target Fund will be paid out of the Management Fee charged by us at the Fund level. Other fees that are not waived by the Target Fund will be also paid at the Fund level.

You should note that there will be higher fees arising from the layered investment structure of the Fund.



Management fee charged by the other CIS / Target Fund will be paid out of the Management Fee charged by us.

Permitted investments

The following types of investments permitted for the Target Fund, which are in line with the Target Fund's objectives, include but are not limited to:

- Equities and debt securities dealt in an organised market and traded in or under the rules of an eligible market;
- Warrants that carry the right in respect of a security traded in or under the rules of an eligible market;
- Unlisted equities including equities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing or quotation and are offered directly to the Target Fund by the issuer;
- Deposits and money market instruments;
- Derivative instruments, including but not limited to options, futures contracts, forward contracts and swaps;
- All types of CIS which comply to the requirements of the SC Guidelines on Unit Trust Funds and the Standard of Qualifying CIS;
- Securities listed or traded on foreign markets where the regulatory authority is an ordinary or associate member of the IOSCO and the listed securities must be traded in an exchange that is a member of WFE; and
- Any other form of investments as may be permitted by the SC from time to time that is in line with the Target Fund's objective.

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

Investment restrictions and limits

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

- Transferable Securities and money market instruments held by the Target Fund must be dealt in an organised market and traded in or under the rules of an eligible market;
- The aggregate value of the Target Fund's investment in transferable securities or money market instruments issued by a single issuer must not exceed 10% of the Target Fund's NAV;
- The value of the Target Fund's placement in deposits with any single investment grade financial institution must not exceed 20% of the Target Fund's NAV;
- In the case where the Target Fund invested in the following assets, the limit in clause 2 and clause 3 above is lowered to 5%:
 - (a) Deposits placed with unrated or non-investment grade financial institution;
 - (b) debt securities or money market instruments not dealt in on organised market or issued by an unrated or non-investment grade issuing body; and
 - (c) unlisted equities.Notwithstanding clause 4(b), we may rely on the rating of an unrated or non-investment grade issuer's parent company or guarantor provided that an explicit guarantee by the parent company or the guarantor for the issuer is in place.
- The aggregate value of the Target Fund's investment in transferable securities, money market instruments, deposits and OTC derivatives issued by or placed with (as the case may be) any single business group, must not exceed 20% of the Target Fund's NAV. For the purpose of this clause, a business group refers to a body, its subsidiaries, fellow subsidiaries, holding body, and ultimate holding body;
- The Target Fund may invest up to 15% of the Target Fund's NAV in aggregate in debt securities or money market instruments issued by a single body if the issuing body or the guarantor of the debt securities or money market instruments is a government or sovereign or central bank with at least a "BBB" rating by an international rating agency as prescribed under the Standard of Qualifying CIS or its equivalent by other international rating agencies. However, if the issuing body or the guarantor of the debt securities or money market instruments is a Malaysian government or Bank Negara Malaysia, the Target Fund may invest up to 35% of the Target Fund's NAV in aggregate in debt securities or money market instruments;
- The value of the Target Fund's investments in unlisted equities must not exceed 10% of the Target Fund's NAV;
- The aggregate value of the Target Fund's investment in deposits placed with unrated or non-investment grade financial institution, debt securities or money market instruments not dealt in an organised market or issued by an unrated or non-investment grade issuing body, unlisted equities and OTC derivatives with non-investment grade or unrated counterparty must not exceed 15% of the Target Fund's NAV. For the purpose of this clause, the limit does not apply to deposits, debt securities or money market instruments or OTC derivatives where the:
 - (a) financial institution, issuing body or counterparty is rated investment grade only with a national rating scale; and
 - (b) the jurisdiction in which the issuing body or counterparty is domiciled has a sovereign credit rating that is at least investment grade;
- The value of the Target Fund's investment in units of each Qualifying CIS or non-Qualifying CIS authorised in Signatory Countries for public offers must not exceed 10% of the Target Fund's NAV;
- The value of the Target Fund's investment in units of all non-Qualifying CIS (excluding investment in units of non-Qualifying CIS with underlying assets of real estate and/or real estate-related) must not exceed 20% of the Target Fund's NAV;
- The Target Fund's investments in CIS must not exceed 25% of the units in any one CIS. Where the Target Fund invests in units in other CIS operated by us or our related corporation, we must ensure that–
 - (a) there is no cross-holding between the Target Fund and the target fund;
 - (b) all initial charges on the target fund is waived; and
 - (c) the management fee must only be charged once, either at the Target Fund or the target fund;

- The aggregate value of the Target Fund's borrowing for the purpose of meeting repurchase request for units and for short-term bridging requirements should not exceed 10% of the Target Fund's NAV at the time the borrowing is incurred. For the purpose of this clause, we should ensure that-
 - (a) the Target Fund's cash borrowing is only on a temporary basis and that borrowings are not persistent;
 - (b) the borrowing period should not exceed one (1) month; and
 - (c) the Target Fund may only borrow from financial institutions;
- The Target Fund's investments in equities or securities equivalent to equities must not exceed 10% of the equities or securities equivalent to equities issued by any single issuer;
- The Target Fund's investments in debt securities must not exceed 10% of the debt securities issued by any single issuer; and
- The Target Fund's investments in money market instruments must not exceed 10% of the money market instruments issued by any single issuer.
- For investments in derivatives (including for hedging purpose):
 - (a) the exposure of the underlying assets must not exceed the investment spread limits stipulated in the SC Guidelines on Unit Trust Funds;
 - (b) the value of the Target Fund's OTC derivative transaction with any single counter-party must not exceed 10% of the Target Fund's NAV;
 - (c) the Target Fund's exposure from derivatives position should not exceed the Target Fund's NAV at all times; and
 - (d) the counter-party of an OTC derivative is a financial institution with a minimum long-term rating provided by any domestic or global rating agency that indicates strong capacity for timely payment of financial obligations.

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

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

In respect of the above investment restrictions and limits, the SC Guidelines on Unit Trust Funds provides for an allowance of 5% from the restrictions and limits due to appreciation or depreciation of the NAV of the Target Fund (whether as a result of an appreciation or depreciation in value of the Target Fund's investments, or as a result of repurchase of units or payment made out of the Target Fund). If the Target Fund is not within the investment restrictions and limits, the Target Fund Manager should not make any further acquisitions in relation to the relevant restrictions and limits and must rectify as soon as practicable (maximum three (3) months from the date of occurrence). In addition, the Target Fund Manager should inform the SC and the trustee within three (3) Business Days after the Target Fund Manager become aware of such occurrence, except where such occurrence are due to appreciation or depreciation of the NAV of the Target Fund.

Target Fund's Performance

Cumulative performance (%)					
As at 31 December 2019,	YTD	1 Year	3 Year	5 Year	Since Inception
Target Fund	16.36 %	16.36 %	31.86 %	53.40 %	173.85 %
Benchmark	8.00 %	8.00 %	25.97 %	46.93 %	94.84 %

Source: Fund Factsheet, Principal Asset Management Berhad.

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

4.2. PERMITTED INVESTMENTS

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

CORE FUNDS & PRINCIPAL PRS PLUS EQUITY

- Equities and debentures/fixed income instruments traded in or under the rules of an Eligible Market;
- Warrants that carry the right in respect of a security traded in or under the rules of an Eligible Market^{Note 3};
- 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 hedging purposes;
- All types of CIS;
- Structured products^{Note 2};
- Securities listed or traded on foreign markets where the regulatory authority is a member of the IOSCO^{Note 1};
- RM-denominated foreign debentures/fixed income instruments; and
- Any other form of investments as may be permitted by the SC from time to time that is in line with the Fund's objectives.

Note 1: Does not apply to *Principal PRS Plus Equity*

Note 2: Does not apply to *Principal PRS Plus Conservative*

Note 3: Does not apply to *Principal PRS Plus Conservative* except as a result of the Fund's holdings in equities

PRINCIPAL PRS PLUS ASIA PACIFIC EX JAPAN EQUITY

- One CIS provided it is not a fund-of-funds or a feeder fund or any sub-fund of an umbrella fund which is a fund-of-funds or a feeder fund;
- Deposits and money market instruments;
- Derivative instruments, including but not limited to options, futures contracts, forward contracts and swaps, for hedging purposes; and
- Any other form of investments as may be permitted by the SC from time to time that is in line with the Fund's objectives.

The formulation of the investment policies and strategies of the Funds are based on the objectives of the Funds after taking into consideration the regulatory requirements outlined in the SC Guidelines, with such exemptions/variations (if any) as permitted by the SC.

4.3. INVESTMENT RESTRICTIONS AND LIMITS

The Funds are subject to the following investment restrictions and limits:

CORE FUNDS & NON-CORE FUNDS

- The value of the Fund's investment in unlisted securities must not exceed 10% of the Fund's NAV.
- 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^{Note 1};
- 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,
 - a) the exposure to the underlying assets must not exceed the investment spread limits stipulated in the SC Guidelines; and
 - b) 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};
- Except for investments by Core Funds, the value of the Fund's investments in units/shares of any CIS must not exceed 20% of the Fund's NAV;
- 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};
- 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.

- Except for investments by Core Funds, the Fund's investments in CIS must not exceed 25% of the units/shares in any one (1) CIS.

Note 1: Not applicable for *Principal PRS Plus Conservative ("PRS-C")*. Instead, the following apply:

- The value of the PRS-C's investments in debentures issued by any single issuer must not exceed 20% of the PRS-C's NAV. This single issuer limit may be increased to 30% if the debentures are rated by any domestic rating agency to be of the best quality and offer highest safety for timely payment of interest and principal;
- Where the single issuer limit of investments in debentures is increased to 30% of the PRS-C's NAV, the aggregate value of the PRS-C's investment must not exceed 30% of the PRS-C's NAV;
- The value of the PRS-C's investments in debentures issued by any one group of companies must not exceed 30% of the PRS-C's NAV.
- Investment in debentures/fixed income instruments must be rated at least BBB3/P2 by RAM (or equivalent rating by MARC). However, debentures/fixed income instruments which are rated below BBB3/P2 and/or are unrated, may comprise up to 5% of PRS-C's NAV ("the 5% Limit"). In the event the 5% Limit is exceeded, whether as a result of:
 - (i) a downgrade of any debenture/fixed income instrument to below BBB3/P2;
 - (ii) an increase in the aggregate value of debentures/fixed income instruments which are rated below BBB3/P2 and/or are unrated; or
 - (iii) a decrease in the NAV of PRS-C,
 we must reduce such investments to comply with the 5% Limit unless in the opinion of the Scheme Trustee, the disposal of such investments is not in the best interest of the Members;
- Use of derivatives is for hedging purposes only;
- No investments in warrants except as a result of PRS-C holdings in equities; and
- No investment in products with embedded derivatives.

FEEDER FUND^{Note 2}

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

Note 2: Applicable to *Principal PRS Plus Asia Pacific Ex Japan Equity* only.

In respect of the above investment restrictions and limits, the SC Guidelines provides for an allowance of 5% from the restrictions and limits due to appreciation or depreciation of the NAV of the Funds (whether as a result of an appreciation or depreciation in value of the Funds' investments, or as a result of repurchase of Units or payment made out of the Funds). If the Funds are not within the investment restrictions and limits, we should not make any further acquisitions in relation to the relevant restrictions and limits and we must rectify as soon as practicable (maximum three (3) months from the date of occurrence).

4.4. APPROVALS AND CONDITIONS

As at LPD, there is no exemption and/or variation to the SC Guidelines for the Funds.

4.5. FINANCING

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

4.6. SECURITIES LENDING

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

The lending of securities must:

- be permitted under the Deed and disclosed in the Disclosure Document;
- comply with the Securities Borrowing and Lending Guidelines; and
- comply with the relevant rules and directives issued by Bursa Malaysia Securities Bhd, Bursa Malaysia Depository Sdn. Bhd. and Bursa Malaysia Securities Clearing Sdn. Bhd.

We will ensure that we have appropriate policies and practices for the lending of securities by the Fund. The Fund's property may not be lent except conditions listed above. In addition, the Fund may not assume, guarantee, endorse or otherwise become directly or contingently liable for, or in connection with, any obligation or indebtedness of any person.

5. FEES, CHARGES AND EXPENSES

5.1. CHARGES

The following describes the charges that you may **directly** incur when you subscribe or withdraw Units in the Funds.

5.1.1. Sales Charge

Sales Charge will be imposed based on the NAV per Unit and may differ between the Funds' respective Classes.

Funds	Sales Charge (% of the NAV per Unit)		
	Class A*	Class C*	Class X
Principal PRS Plus Conservative	3.00%	0.50%	Nil
Principal PRS Plus Moderate	3.00%	0.50%	Nil
Principal PRS Plus Growth	3.00%	0.50%	Nil
Principal PRS Plus Equity	3.00%	0.50%	Nil
Principal PRS Plus Asia Pacific Ex Japan Equity	3.00%	0.50%	Nil

* Despite the maximum Sales Charge disclosed above, you may negotiate with us or our Distributors for lower charges. However, you should note that we or our Distributors may, for any reason at any time, where applicable, accept or reject your request and without having to assign any reason, either generally (for all investors) or specifically (for any particular investor or a group of investors) without prior notice to you.

Note: Please refer to "Calculation of investment amount and Units entitlement" section under "Transaction Information" chapter for an illustration on how the Sales Charge is calculated. The Sales Charge imposed will be rounded using the normal rounding policy to two (2) decimal places.

5.1.2. Redemption Charge

The Funds have no Redemption Charge.

5.1.3. Switching Fee

There is no Switching Fee charged for switching of Funds under the Scheme or switching between funds of different PRS managed by Principal Malaysia. Switching is not allowed between different classes.

5.1.4. Transfer Fee (to another PRS provider)

A Transfer Fee of not more than RM25 may be charged for each transfer to another PRS provider. All transaction on the transfer between PRS provider are only allowed for Vested Units.

5.1.5. PPA Fee

This table describes the maximum fees and charges charged by the PPA. Information on the PPA can be obtained from <http://www.ppa.my>. Potential Members can also compare the fees and charges of other PRS by visiting this website.

Fees & Charges	Applicable to all Funds		
	Class A	Class C	Class X
PPA account opening fee	RM10*	RM10*	RM10**
PPA annual fee [^]	RM8		
PPA pre-retirement withdrawal fee	RM25		
PPA transfer fee (to another PRS provider)	RM25		
PPA administration fee [#]	0.04% of the Fund's NAV		

* This fee is to be waived on any of the following conditions:

- 1) Contribution of minimum RM1,000 per transaction;
- 2) RSP of minimum RM100 per month through bank approved by us or our Distributors; or
- 3) Other condition(s) as may be determined by us from time to time.

** This fee will be borne by us

[^] Not payable for the year the account is opened and on the year where there was no contribution

[#] The annual PPA administration fee is accrued daily based on the NAV of the Fund and paid monthly.

The fees and charges payable to the PPA are subject to:

- 1) any amendments as may be determined by the PPA;
- 2) any discount/rebate/waiver as may be determined by the PPA during any promotional period that may be carried out

- by the PPA from time to time; and
- 3) any applicable taxes and/or duties as may be imposed by the government and/or the relevant authorities from time to time.

5.2. FEES AND EXPENSES

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

5.2.1. Management Fee

Table below stipulates the annual Management Fee charged for each Fund, based on NAV of the Fund. The Management Fee shall be accrued daily based on the NAV of the Fund and paid monthly.

Funds	Management Fee (% p.a. of the NAV of the Fund)		
	Class A	Class C	Class X
Principal PRS Plus Conservative	1.40%	1.50%	1.40%
Principal PRS Plus Moderate	1.40%	1.50%	1.40%
Principal PRS Plus Growth	1.40%	1.50%	1.40%
Principal PRS Plus Equity	1.40%	1.50%	1.40%
Principal PRS Plus Asia Pacific Ex Japan Equity	1.40%	1.50%	1.40%

Below is an illustration on how the Management Fee is calculated

Management Fee for the day = NAV of the Class x Management Fee rate for the Class (%) / 365 days

If the NAV of Class C for the Fund is RM40 million, then

Management Fee for the day for Class C = RM40 million x 1.50% / 365
= RM1,643.84

The illustration above can be applied to other Classes taking into consideration the Management Fee of the respective Classes.

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

5.2.2. Trustee Fee

The table below stipulates the annual Trustee Fee charged for each Fund, based on NAV of the Fund. The annual Trustee Fee is accrued daily based on the NAV of the Fund and paid monthly.

Funds	Trustee Fee (% p.a. of the NAV of the Fund)*		
	Class A	Class C	Class X
Principal PRS Plus Conservative	0.04%	0.04%	0.04%
Principal PRS Plus Moderate	0.04%	0.04%	0.04%
Principal PRS Plus Growth	0.04%	0.04%	0.04%
Principal PRS Plus Equity	0.04%	0.04%	0.04%
Principal PRS Plus Asia Pacific Ex Japan Equity	0.04%	0.04%	0.04%

* The Trustee Fee includes local custodian fees and charges but excludes foreign custodian fees and charges.

Below is an illustration on how the Trustee Fee is calculated:

Trustee Fee for the day = NAV of the Class x Trustee Fee rate for the Class (%) / 365 days

If the NAV of Class C for the Fund is RM40 million, then

Trustee Fee for the day for Class C = RM40 million x 0.04% / 365
= RM43.84

The illustration above can be applied to other Classes taking into consideration the Trustee Fee of the respective Classes.

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

The above-mentioned fees and charges payable to us and/or the Funds are subject to:

- 1) any amendments as may be required/imposed by the regulatory authorities such as the SC and the PPA;
- 2) any waiver during promotional period that may be determined by the PRS Provider and/or its Approved Distributors from time to time. For information on the promotions, please contact the PRS Provider and/or its Approved Distributors; and
- 3) any applicable taxes and/or duties as may be imposed by the government and/or the relevant authorities from time

to time.

5.2.3. Other expenses

The Deed also provides for payment of other expenses. The major expenses recoverable directly from the Fund (which will be deducted from the Fund) include:

- expenses incurred in the sale, purchase, insurance, custody (foreign investment only) 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 (if any) 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 Funds;
- costs incurred in modifying the Deed for the benefit of Members; and
- costs of convening and holding meetings of Members (other than those meetings convened by or for the benefit of the PRS Provider or Trustee).

We and the Trustee are required to ensure that Management Fee, Trustee Fee, Sales Charge, Redemption Charge and Switching Fee are reasonable and in accordance with the Deed which stipulate the maximum rate in percentage terms that can be charged.

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.

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

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

5.3. REBATES AND SOFT COMMISSIONS

We and the Trustee will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investments of the Funds 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 contributing to the Scheme.

All the fees and charges above may be increased. A supplementary or replacement disclosure document disclosing the new fees and charges will be issued should the fees and charges be increased. A notice period of ninety (90) days will be given to the Members prior to the effective date of the new fees and charges, which is in accordance with the SC Guidelines.

6. TRANSACTION INFORMATION

6.1. VALUATION OF INVESTMENTS PERMITTED BY THE FUNDS

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

- **Listed securities**

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

- **Unlisted securities**

The value of 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 shall be valued at the issue price of such securities. The value will be determined by the financial institution that issued the securities.

The value of any unlisted RM-denominated debt securities shall be calculated on a daily basis using prices quoted by a bond pricing agency ("BPA") registered with the SC. Where such prices are not available or where we are of the view that the price quoted by the BPA for a specific debt security differs from the market price by more than twenty (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 the basis for using a non-BPA price, obtained necessary internal approvals to use the non-BPA price and keep an audit trail of all decisions and basis for adopting the market yield.

The value of any unlisted non RM-denominated debt securities shall be valued daily by reference to the average indicative yield quoted by three (3) independent and reputable financial institutions. However, where quotations are not available, such unlisted non RM-denominated debt securities will be valued daily at fair price determined in good faith by us, based on the methods or bases, which have been verified by the auditor of the Fund and approved by the Trustee.

- **CIS**

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

- **Money market instruments**

Money market instruments such as negotiable instrument of deposits and commercial papers shall be valued by reference to the quotes provided by independent and reputable pricing source(s), which is deemed fair value, includes but not limited to Bond Pricing Agency ("BPA") registered by the SC. Where the quotes are provided by financial institutions, the valuation of the money market instruments will be based on the average of bid and offer prices quoted by three (3) independent and reputable financial institutions of similar standing at the close of trading. The valuation method is verified by the auditor and approved by the Trustee.

- **Deposits**

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

If the value of the Fund's assets is denominated in a foreign currency, the assets are translated on a daily basis to MYR based on 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.

6.2. UNIT PRICING

We adopt a single pricing method for any transactions (i.e. applications, withdrawals, switches and/or transfers) based on forward prices. This means that we will process your transactions request based on the NAV per Unit at the next valuation point after we receive the completed relevant transaction forms from you together with the PPA authorization (where required). The Sales Charge (if any) will be computed and charged separately based on your application amount.

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

The valuation point of the Funds for a Business Day will depend on whether the portfolio consists of foreign investments.

Funds without foreign investments:

We will value the Fund 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 <http://www.principal.com.my> after 10:00 a.m. on the following Business Day (T+1).

Funds with foreign investments:

We will value the Fund 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 Funds' base currency. Currently, the currency translation is based on the bid exchange rate quoted by Bloomberg/Reuters at UK time 4:00 p.m. on the same day (Malaysian time 11:00 p.m. or 12:00 a.m.), or such other time as stipulated in the IMS. The NAV per Unit for a Business Day is available on our website at <http://www.principal.com.my> after 5:30 p.m. on the following Business Day (T+1).

The Fund must be valued at least once for 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 Members, 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.

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

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

Below is an illustration on computation of the NAV of each Class:-

	Fund	Class A	Class C	Class X
NAV of the Fund	140,000,000.00	40,000,000.00	20,000,000.00	80,000,000.00
Units	280,000,000.00	80,000,000.00	40,000,000.00	160,000,000.00
Closing Market Value of the Fund	140,000,000.00			
Add: Income	2,354,000.00			
Less: Expenses	(250,200.00)			
Gross Asset Value* of the Fund	142,103,800.00			
Multi-class ratio (subject to change based on Units in circulation for each Class)		29%	14%	57%
Gross Asset Value* of the Class		40,601,085.71	20,300,542.86	81,202,171.43
Less: Management Fee (% p.a.)		1.40%	1.50%	1.40%
Management Fee for the day		1,557.30	834.27	3,114.60
Less: Trustee Fee (% p.a.)	0.04%			
Trustee Fee for the day		44.49	22.25	88.99
Less: PPA administration fee (% p.a.)		0.04%	0.04%	0.04%
PPA administration fee for the day		44.49	22.25	88.99
NAV of the Class for the day	142,097,982.36	40,599,439.42	20,299,664.09	81,198,878.85
Units in circulation		80,000,000.00	40,000,000.00	160,000,000.00
NAV per Unit of the Class for the day		0.507493	0.507492	0.507493

* Before deductions of Management Fee, Trustee Fee and PPA administration fee.

Calculation of investment amount and Units entitlement

The number of Units that you will receive will be rounded down to two (2) decimal places.

The illustrations below can be applied to other Classes taking into consideration the fees of the respective Classes

Illustration 1

Calculation of number of Units received, Sales Charge and total amount payable by you

Assumptions:

NAV per Unit of Class A = RM0.5000 (truncated to 4 decimal places)
Sales Charge for Class A = 3.00%

You wish to invest RM10,000 in Class A of the Fund.

Calculation of total number of Units received by you

= Investment amount / NAV per Unit
= RM10,000 / RM0.5000
= 20,000 Units

Calculation of Sales Charge paid by you (which is payable in addition to the investment amount)

= NAV per Unit x number of Units received x Sales Charge rate
= RM0.5000 x 20,000 Units x 3.00%
= RM300.00

Calculation of total amount paid by you

= Investment amount + Sales Charge paid
= RM10,000.00 + RM300.00
= RM10,300.00

Calculation of investment value

Following the example above, assuming the NAV per Unit calculated for a particular Business Day thereafter is RM0.5110 (truncated to 4 decimal places).

Calculation of investment amount

= Number of Units x NAV per Unit
= 20,000 Units x RM0.5110
= RM10,220.00

Illustration 2

Calculation of withdrawal value, Redemption Charge and amount payable to you

Assuming you have 150,000 Units, you wish to withdraw RM10,000 from your investment in the Fund. Your withdrawal request is received before 4:00 p.m. of a Business Day. NAV per Unit for that Business Day is RM0.5230 (truncated to 4 decimal places) and there is no Redemption Charge.

Calculation of number of Units withdrawn

= Withdrawal value / NAV per Unit
= RM10,000.00 / RM0.5230
= 19,120.46 Units

Calculation of number of remaining Units

= Units held before withdrawal – Units withdrawn
= 150,000.00 Units – 19,120.46 Units
= 130,879.54 Units

Calculation of Redemption Charge paid by the you (to be deducted from withdrawal value)

= NAV per Unit x number of Units withdrawn x Redemption Charge rate
= RM0.5230 x 19,120.46 Units x 0.00%
= RM0

Calculation of amount payable to the you

= Withdrawal value – Redemption Charge paid
= RM10,000.00 – RM0.00
= RM10,000.00

The amount payable to you is RM10,000.00 (subject to payment of tax penalty set by the Inland Revenue Board, which will be deducted by us).

Calculation of tax penalty imposed on pre-retirement withdrawal (Applicable to sub-account B)

Following the example above and assuming that this is a pre-retirement withdrawal, which is subject to a tax penalty of 8% of the amount withdrawn.

Calculation of tax penalty

= Amount payable to you x tax penalty of 8% of the amount withdrawn
= RM10,000.00 X 8%
= RM800.00

Calculation of net amount payable to you

= Amount payable to you - tax penalty
= RM10,000.00 - RM800.00
= RM9,200.00

6.3. INCORRECT PRICING

We shall take immediate remedial action to rectify any incorrect valuation and/or pricing of the Funds or Units of the Funds. Where such error has occurred, we shall reimburse the money in the following manner:

- (a) in the event of over valuation or pricing, we shall reimburse:
 - (i) the Funds for any withdrawals of Units; and/or
 - (ii) you, if you have purchased Units at a higher price; or
- (b) in the event of under valuation or pricing, we shall reimburse:
 - (i) the Funds for any subscription of Units; and/or
 - (ii) you, if you have withdrawn Units of the Fund at a lower price.

Provided always that any reimbursement to you as a result of any withdrawal shall be subject to such tax penalty payable thereto.

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

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

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

6.4. INVESTING

6.4.1. Who can invest?

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

- an individual who is at least eighteen (18) years of age and is not an undischarged bankrupt; or
- an employer who contributes on behalf of its employees PRS account.

However, PRS Provider has the right to reject an application on reasonable grounds.

Please note that any resident of the USA (i.e. someone who has a USA address, permanent or mailing) is not allowed to invest in the Funds. This includes a US citizen residing in Malaysia.

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..

6.4.2. How to invest?

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 commission charges for outstation cheques, if any;
- directly from your bank account held with our Distributors, where applicable;
- by cash if the application is made in person at any branch of our Distributors, where acceptable; 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 as we and/or the relevant authorities may impose from time to time.

6.4.3. Regular Savings Plan (RSP)

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

6.4.4. Who is distributing this Scheme?

The Scheme may be distributed via the following channels:

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

You may invest into the Funds via us or any of our Distributors. Please refer to the "Distributors of the Scheme" 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 when purchasing Units of the Funds via any institutional/ retail agent/ employee of Principal Malaysia.

6.5. CONTRIBUTIONS

All contributions made by or on behalf of a Member will be split upon each contribution being made and maintained in two (2) separate sub-accounts by us as follows:

- Sub-account A which refers to a sub-account maintained for each Member which holds 70% of all contributions made to any of the Funds.
- Sub-account B which refers to a sub-account maintained for each Member which holds 30% of all contributions made to any of the Funds.

6.6. MINIMUM CONTRIBUTION

The minimum contributions for each of the Funds are stipulated in the table below.

	Minimum initial contribution* (RM)	Minimum subsequent contribution* (RM)	Regular Savings Plan (RSP)	
			Minimum initial contribution* (RM)	Minimum additional contribution* (RM)
Class A				
Principal PRS Plus Conservative	100	50	100	50
Principal PRS Plus Moderate	100	50	100	50
Principal PRS Plus Growth	100	50	100	50
Principal PRS Plus Equity	100	50	100	50
Principal PRS Plus Asia Pacific Ex Japan Equity	100	50	100	50
Class C				
Principal PRS Plus Conservative	100	50	100	50
Principal PRS Plus Moderate	100	50	100	50
Principal PRS Plus Growth	100	50	100	50
Principal PRS Plus Equity	100	50	100	50
Principal PRS Plus Asia Pacific Ex Japan Equity	100	50	100	50
Class X				
Principal PRS Plus Conservative	Not applicable	Not applicable	Not applicable	Not applicable

	Minimum initial contribution* (RM)	Minimum subsequent contribution* (RM)	Regular Savings Plan (RSP)	
			Minimum initial contribution* (RM)	Minimum additional contribution* (RM)
Principal PRS Plus Moderate	Not applicable	Not applicable	Not applicable	Not applicable
Principal PRS Plus Growth	Not applicable	Not applicable	Not applicable	Not applicable
Principal PRS Plus Equity	Not applicable	Not applicable	Not applicable	Not applicable
Principal PRS Plus Asia Pacific Ex Japan Equity	Not applicable	Not applicable	Not applicable	Not applicable

*The amount stipulated includes any applicable fees and charges, such as Sales Charge (if any) and PPA account opening fee, as the case may be, which are subject to any applicable taxes. In other words, the amount is gross of fees and charges.

Note:

- You may request for a lower amount when purchasing units (or additional units), which will be at our sole and absolute discretion. However, you should note that we may, for any reason at any time, where applicable, accept or reject a lower amount 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 reserve the right to change the above stipulated amounts from time to time.

6.6.1. Processing an application

If we receive a complete application together with the contribution payment by 12.00p.m on a Business Day, we will process it within ten (10) calendar days from that Business Day (T). It will be processed using the NAV per Unit for that Business Day (T).

If we receive a complete application together with the contribution payment after 12.00p.m on a Business Day, we will process it within ten (10) calendar days from the next Business Day (T+1). It will be processed using the NAV per Unit for the next Business Day (T+1).

Please note that for the first time Member, you are required to complete an additional form which is the PPA account opening form. Incomplete applications will not be processed until we have received all the necessary information. The number of Units you will receive will be rounded down to two (2) decimal places.

6.7. WITHDRAWALS

Subject to permitted reasons for withdrawals, you may not withdraw from any of the Funds until you reach the Retirement Age. Upon reaching the Retirement Age, you shall be entitled to withdraw the full amount accumulated in the Funds held by you as Accrued Benefits without payment of any tax. Please refer to “Permitted Withdrawals and Pre-retirement Withdrawals” section on page 49 for further information on the permitted reasons for withdrawals.

Upon receiving your request to withdraw some or all of the Accrued Benefits in any of the Fund, you may be required by us and/or the PPA to provide evidence of the facts necessary to establish your right to withdraw moneys from any of the Fund. We will pay the withdrawal proceeds within ten (10) calendar days after we receive a complete withdrawal request from you and, where required, the authorization of the PPA.

Note: Unless the context stated otherwise, all withdrawal transaction is only allowed for Vested Units.

6.8. MINIMUM WITHDRAWALS

The minimum withdrawal for each Fund is stipulated in the table below, unless you are withdrawing your entire investment. Withdrawals can be made by completing a withdrawal form and sending it to the relevant Distributor or our head office.

Funds	Minimum withdrawal		
	Class A	Class C	Class X
Principal PRS Plus Conservative	RM50 or 100 Units	RM50 or 100 Units	RM100 or 200 Units
Principal PRS Plus Moderate	RM50 or 100 Units	RM50 or 100 Units	RM100 or 200 Units
Principal PRS Plus Growth	RM50 or 100 Units	RM50 or 100 Units	RM100 or 200 Units
Principal PRS Plus Equity	RM50 or 100 Units	RM50 or 100 Units	RM100 or 200 Units
Principal PRS Plus Asia Pacific Ex Japan Equity	RM50 or 100 Units	RM50 or 100 Units	RM100 or 200 Units

Note:

- You may request for a lower amount or number of units when withdrawing units, which will be at our sole and absolute discretion. However, you should note that we may, for any reason at any time, where applicable, accept or reject a lower number of units and without having to assign any reason, either generally (for all investors) or specifically (for any particular investor, a group of investors or investments made via any digital platform) without prior notice to you. For increase in the number of units for minimum withdrawal, we will require concurrence from the Trustee and you will be notified of such changes before implementation.
- All withdrawal transaction is only allowed for Vested Units.
- We reserve the right to change the above stipulated amounts from time to time.

6.8.1. Processing a withdrawal

If we receive a complete withdrawal request and, where required, the authorization of the PPA by 12.00p.m. on a Business Day, we will process it within ten (10) calendar days from that Business Day (T). It will be processed using the NAV per Unit for that Business Day (T).

If we receive a complete withdrawal request and, where required, the authorization of the PPA after 12.00p.m. on a Business Day, we will process it within ten (10) calendar days from the next Business Day (T+1). It will be processed using the NAV per Unit for the next Business Day (T+1).

If you request for a specific amount in RM, the number of Units will be calculated by dividing the requested amount in RM by the NAV per Unit, and the number of Units will be rounded to two (2) decimal places. The amount that you will receive is calculated by the withdrawal value less the Redemption Charge (if any) and less tax penalty (if any). That amount will be paid in RM within ten (10) calendar days from that Business Day (T) or the next Business Day (T+1) (whichever applicable).

Any applicable bank charges and other bank fees incurred as a result of a withdrawal by way of telegraphic transfer, bank cheque or other special payment method will be charged to you.

6.9. PERMITTED WITHDRAWALS AND PRE-RETIREMENT WITHDRAWALS

Subject to permitted reasons for withdrawals, you may not make a withdrawal from any of the Funds until you reach the Retirement Age. Upon reaching the Retirement Age, you shall be entitled to withdraw the full amount accumulated in the Funds held by you as Accrued Benefits without payment of any tax penalty.

Request for payment for withdrawals from any of the Funds may be made for the following circumstances and as follows:

No	Circumstances for withdrawal	Sub-account	Extend of withdrawals	Subject to tax penalty
(a)	Upon reaching Retirement Age	A & B	Partial or full	No
(b)	Pre-retirement withdrawals	B	Partial or full	Yes
(c)	Death of Member	A & B	Partial or full	No
(d)	Permanent departure of a member from Malaysia	A & B	Full	No
(e)	Due to permanent total disablement, serious disease or mental disability of a member	A & B	Full	No
(f)	For healthcare purpose	B	Partial or full	No
(g)	For housing purpose	B	Partial or full	No

Upon receiving the Member's request to withdraw some or all of the Accrued Benefits in any of the Fund, we and/or PPA may require you to provide evidence of the facts necessary to establish your right to withdraw moneys from any of the Fund.

In relation to item (c), for withdrawal following the death of a Member, we must obtain prior authorization from the PPA before issuing instructions to the Trustee to cancel Units.

In relation to item (b), (f) and (g) above, withdrawals may be requested by the member once every calendar year from each PRS provider (from one or multiple funds under any scheme(s) managed by that PRS provider) provided that the individual has been a member of that scheme (whether via member contribution or employer contribution) for at least one (1) year.

In relation to item (b), we will deduct an 8% tax penalty (or such other application tax penalty) from the withdrawn amount before making payment to you.

In relation to item (f), the withdrawal is only permitted for member's ownself or immediate family on certain illnesses. Please refer to our website at www.principal.com.my for the list of illnesses.

Please note that the above table may subject to such amendments, modification, variation and/or exemption as may be determined by the SC, PPA and/or relevant ministry or authorities from time to time.

6.10. COOLING-OFF PERIOD

You have six (6) Business Days after your initial contribution (i.e. the date the complete application is received and accepted by us or our Distributors) to reconsider the appropriateness and suitability for your investment needs. Within this period, you may withdraw your investment at the same NAV per Unit when the units were purchased. We must obtain prior authorization of the PPA before proceeding with the refund. We will refund the investment amount including the Sales Charge (if any) to you in RM within ten (10) calendar days of receiving the authorization of the PPA. Please note that this cooling-off right is only given to a first time Member registered with PPA who is investing with any PRS provider. However, Principal Malaysia's staff, person(s) registered by a body approved by the SC to deal in PRS and contributions made to PRS by an employer on behalf of the employee are not entitled to the cooling-off right.

6.11. SWITCHING

Subject to our absolute discretion, you have the option to switch into any of the Funds under the Scheme or funds under Principal Islamic PRS Plus. Switching is limited to once a month only regardless of whether it is switching of funds under the Scheme or switching between funds of different PRS managed by Principal Malaysia and switching is not allowed between different classes.

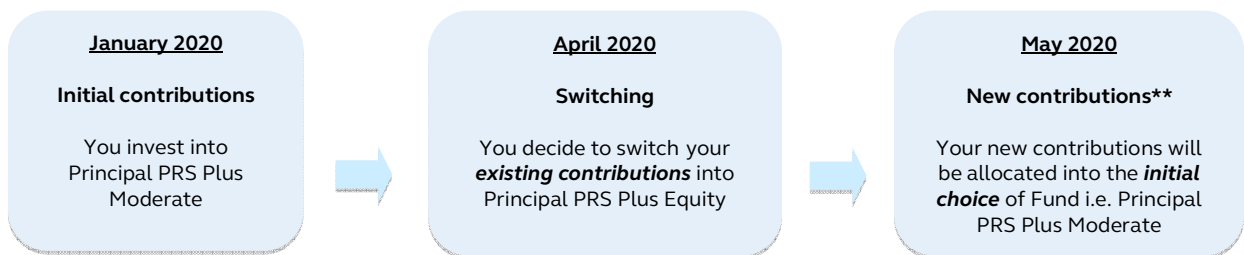
Switching will be conducted based on the value of your investments in the Fund at the point of switching. The minimum amount for a switch is subject to:

- For switching out of the Fund:
 - the minimum withdrawal applicable to the Fund; and
 - the Redemption Charge of the Fund (if any).
- For switching into the Fund:
 - the minimum initial contribution amount or the minimum subsequent contribution amount (as the case may be) applicable to the Fund; and
 - the Switching Fee applicable for the proposed switch (if any).

This switching exercise is a one-off instruction. To switch, simply complete a “switching form” and send it to the relevant Distributors or our head office. You may negotiate to lower the amount 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, either generally (for all investors) or specifically (for any particular investor, a group of investors or investments made via any digital platform).

Your subsequent contributions will not be allocated into the Fund that you have switched into unless there is a request to change your contribution direction*. Please refer to “Change of contribution direction for new contributions” section on page 51 below for further details.

Illustration:



Where you are in the Default Option, we will automatically switch you:

- a) from the Principal PRS Plus Growth into the Principal PRS Plus Moderate before the end of the next calendar month from the day you attain the age of 45 years; and
- b) from the Principal PRS Plus Moderate into the Principal PRS Plus Conservative before the end of the next calendar month from the day you attain the age of 55 years.

Note: The age limit above may be subject to changes as may be determined by the relevant authorities from time to time.

Switching under the Default Option will not be subject to any Sales Charge.

* Contribution direction is an instruction provided by you to us detailing the composition of Funds that you would like to invest.

** New contributions refer to subsequent contributions made into the Fund after the switching exercise.

6.11.1 Processing a switch

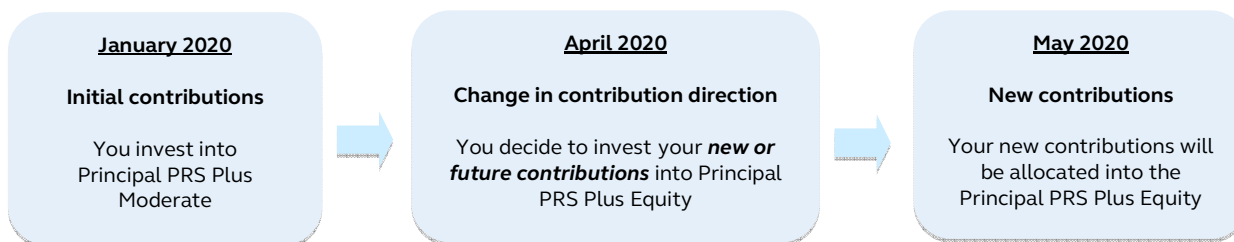
A switch is processed as a withdrawal from one (1) fund and an investment into another fund. If we receive a complete switching request by 12.00pm on a Business Day, we will process it within ten (10) calendar days from that Business Day. If we receive a complete switching request after 12.00pm on a Business Day, we will process it within ten (10) calendar days from the next Business Day.

6.12. CHANGE OF CONTRIBUTION DIRECTION FOR NEW CONTRIBUTIONS

You are entitled to change your contribution direction or investment choices in respect of your new contributions to the Funds, once a month, at no extra cost. All of your subsequent contributions will then be allocated to the new Fund.

To change your contribution direction for your new contributions, simply complete a “contribution form” and send to the relevant Distributors or our head office. If a “contribution form” was submitted previously for your new or future contributions, your future contributions will be allocated as per the most recent submission.

Illustration:



6.13. TRANSFER BETWEEN PRS PROVIDERS

Prior to reaching the Retirement Age, you are allowed to transfer your accrued benefits of any amount from one (1) or multiple funds under the scheme(s) managed by that PRS provider once every calendar year to another PRS provider provided that:

- you have been a member of the scheme (whether via member contribution or employer contribution) for at least one (1) year; and
- all the accrued benefits to be transferred from a fund must be transferred to one (1) other fund.

The above also applies if you transfer from any funds under schemes of other PRS providers into any Funds under the Scheme. All information required by the PPA is to be provided in the application for the transfer.

You will not be subject to the restriction above if you have reached the Retirement Age.

A transfer of accrued benefits can involve either:

- a) a transfer from one (1) fund from one (1) PRS provider to one (1) fund of another PRS provider. Where you have more than one (1) fund with the PRS provider, the accrued benefits of each fund can only be transferred to one other fund with the other PRS provider.

For example:

- transfer of your Accrued Benefits in Principal PRS Plus Conservative to fund ABC of another PRS provider; or
- transfer of your Accrued Benefits in Principal PRS Plus Conservative to fund ABC of another PRS provider and your Accrued Benefits in Principal PRS Plus Moderate to Fund XYZ of another PRS provider.

- b) a consolidation of all accrued benefits in all schemes to one (1) scheme.

For example:

You have contributions in PRS provider A, PRS provider B and PRS provider C. You may:

- transfer all your accrued benefits in PRS provider A, PRS provider B and PRS provider C to PRS provider D; or
 - transfer all your accrued benefits in PRS provider B and PRS provider C to PRS provider A;
- provided that you have been a member of the schemes offered by PRS provider A, B, and C for not less than one (1) year.

A Transfer Fee of RM25 and PPA transfer fee of RM25 may be charged for each transfer to another PRS provider.

Note: Unless the context stated otherwise, all transaction on the transfer between PRS provider are only allowed for Vested Units.

6.14. CIRCUMSTANCES WHERE MEMBERS MAY SWITCH FUNDS WITHIN THE SCHEME AND TRANSFER UNITS OF FUNDS TO ANOTHER PRS PROVIDER

Members have the option to switch into any of the Funds under the Scheme or funds under Principal Islamic PRS Plus. Switching is limited to once a month only regardless of whether it is switching of funds under the same PRS or switching between funds of different PRS managed by Principal Malaysia and switching is not allowed between the classes within the Funds.

Switching will be conducted based on the value of your investment in a Fund. The minimum amount for a switch must be equivalent to the minimum withdrawal amount applicable to a fund or such other amount as we may from time to time decide. Please note that the minimum amount for a switch must also meet the minimum initial contribution amount or the minimum subsequent contribution amount (as the case may be) applicable to the fund to be switched into.

Prior to a Member reaching the retirement age, the accrued benefits amount from one or multiple funds under the scheme(s) managed by that PRS provider shall be transferred at the request of a member once every calendar year to another PRS provider provided the individual has been a member of that scheme (whether via member contribution or employer contribution) for at least one (1) year and all the accrued benefits to be transferred from a particular fund must be transferred to one (1) other fund. This also applies if the Member transfers from any funds under schemes of another PRS providers.

6.15. VESTING OF CONTRIBUTION

Vesting is only applicable to corporate clients. For the purposes of employers who make contribution into a PRS on behalf of their employees, if not made subject to a Vesting Schedule, shall vest in the employees immediately upon receipt by us. However, if a contribution is made subject to a Vesting Schedule will result in the issuance of Vested Unit and Conditionally Vested Unit, the Conditionally Vested Unit shall vest in the employees in accordance with the Vesting Schedule.

6.16. NOMINATION

Nomination is the process of naming another individual(s) (not welfare bodies/ corporations/ institutions/ organisations/ societies) as beneficiary(ies) to receive the PRS balance in a Member's account in accordance with that Member's direction in the event of that Member's demise.

Once a nomination is made by a Member, it will be applicable to all PRS account of the Members held with us and any other PRS providers (if any). If a Member chooses not to make any nomination, the PRS balance in that Member's account shall be paid to a lawful executor or administrator of that Member's estate upon that Member's demise.

Nomination can be made to the PPA or us by completing a nomination form in the presence of a witness. The nomination shall become effective only when a duly completed and witnessed nomination form accompanied with the required supporting document(s) (e.g. a copy of your identity card) has/have been received by the PPA or us, whichever is earlier.

A nomination shall be revoked:

- by the death of all nominees during the lifetime of a Member;
- by written notice of revocation made in a revocation form to be specified by the PPA;
- by any subsequent nomination made in a new nomination form; or
- where a nominee fails to submit the relevant withdrawal form within one (1) year from the death of a Muslim Member.

Note: The nomination process is subject to terms and conditions and/or any amendment/modifications as may be imposed/required by the government or relevant authorities from time to time. For more and/or any updated information on nomination, please refer to PPA's website at <http://ppa.my>.

6.17. DISTRIBUTION OF THE FUNDS

The Funds are not expected to make any distributions. All income earned by you will automatically be reinvested into the Fund.

6.18. UNCLAIMED MONEYS

Where you have not made any transaction or instruction in relation to the Scheme for more than twelve (12) months subsequent to attaining the age of 80 years, the Trustee may pay any unclaimed Accrued Benefit held by the Trustee to the Registrar of Unclaimed Moneys, in accordance with the provisions of the Unclaimed Moneys Act 1965.

Prior to paying the unclaimed Accrued Benefits to the Registrar of Unclaimed Moneys, the Trustee must obtain approval of the PPA.

In addition, 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.

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 respective Deeds and SC Guidelines. Where necessary, we will notify the Trustee and communicate to you on the amendments to the transaction information.

7. ADDITIONAL INFORMATION

7.1. FINANCIAL YEAR-END

	Fund	Financial Year End
Core Funds	Principal PRS Plus Conservative	31 January
	Principal PRS Plus Moderate	31 January
	Principal PRS Plus Growth	31 January
Non-Core Funds	Principal PRS Plus Equity	31 January
	Principal PRS Plus Asia Pacific Ex Japan Equity	31 January

7.2. INFORMATION ON YOUR INVESTMENT

Note: These services are only available to Members of selected Distributors.

We will send you the following:

- Your PPA Member number;
- Confirmation on any changes to your address if you have written to us to make the changes;
- The summary of your investment for each half year; 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 printed annual report is available upon request.

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

If you have any questions about the information in this Disclosure Document or would like to know more about investing in the Funds, please contact our **Customer Care Centre** at **(03) 7718 3000** between 8:45 a.m. to 5:45 p.m. (Malaysian time) on Mondays to Thursdays and between 8:45 a.m. to 4:45 p.m. (Malaysian time) on Fridays (except on Selangor public holidays) or you may 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

7.3. DEED

The Scheme is governed by Deed dated 8 November 2012, First Supplemental Deed dated 2 January 2014, Second Supplemental Deed dated 25 November 2014 and Third Supplemental Deed dated 3 February 2020.

7.4. CONSENT

PricewaterhouseCoopers Taxation Services Sdn Bhd, Deutsche Trustees Malaysia 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, statements and/or reports in this Disclosure Document in the form and context in which it appears and have not subsequently withdrawn their consent to the inclusion of their names, statements and/or reports in the form and context in which it appears in this Disclosure Document.

7.5. DOCUMENTS AVAILABLE FOR INSPECTION

You may inspect the following documents or copies thereof in relation to the Fund (upon request) as may be required by the SC (where applicable) at our principal place of business, the business address of the Trustee and/or such other place as the SC may determine (where applicable) without charge:

- The Deed;

- Current Disclosure Document and supplementary or replacement disclosure document (if any);
- The latest annual and interim reports of the Funds, which includes the audited financial statements of the Funds (where available) for the current financial year and for the last three (3) financial years or if less than three (3) years, from the date of launch of the Fund;
- Material contract or document referred to in the Disclosure Document (if any);
- All reports, letters or other documents, valuations and statements by any expert, any part of which is extracted or referred to in the Disclosure Document (if any);
- The audited financial statements of the PRS Provider for the current financial year and for the last three (3) financial years or if less than three (3) years, from the date of incorporation or commencement;
- Writ and relevant cause paper for all current material litigation and arbitration disclosed in the Disclosure Document; and
- Any consent given by experts or persons whose statement appears in the Disclosure Document.

7.6. POTENTIAL CONFLICTS OF INTERESTS AND RELATED PARTY TRANSACTIONS

We (including our directors) will at all times act in your best interest 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 Funds are not disadvantaged. In the unlikely event that we face conflicts in respect of our duties as the PRS Provider to the Funds and to other Principal Malaysia's fund that we manage, we are obliged to act in the best interests of all our Members and will seek to resolve any conflicts fairly and in accordance with the Deeds.

We shall not act as principals in the sale and purchase of any securities or investments to and from the Funds. We shall not make any investment for the Funds 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) hold substantial shareholdings or directorships in public companies shall refrain from any decision making relating to that particular investment of the Funds.

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

Director / Shareholder	Position	Shareholding (Direct / Indirect)	Name of corporation
CIMB Group Sdn Bhd	Shareholder	Direct	Principal Islamic Asset Management Sdn Bhd
		Indirect	CIMB-Mapletree Management Sdn Bhd*

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

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

7.6.1. Trustee

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

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

The Trustee will rely on the PRS Provider to ensure that any related party transactions, dealings, investments and appointments are on terms which are the best that are reasonably available for or to the Fund and are on an arm's length basis as if between independent parties.

While the Trustee has internal policies intended to prevent or manage conflicts of interests, no assurance is given that their application will necessarily prevent or mitigate conflicts of interest. The Trustee's commitment to act in the best interests of the Members of the Funds does not preclude the possibility of related part transactions or conflicts.

7.7. INTERESTS IN THE FUNDS

Subject to any legal requirement, we or any of our related corporation, or any of our officers or directors, may invest in the Funds. Our directors will receive no payments from the Funds other than distributions that they may receive as a result of

investment in the Funds. No fees other than the ones set out in this Disclosure Document have been paid to any promoter of the Funds, or the Trustee (either to become a trustee or for other services in connection with the Funds), or us for any purpose.

7.8. 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.

8. THE PRS PROVIDER

8.1. ABOUT PRINCIPAL ASSET MANAGEMENT BERHAD

Principal Asset Management Berhad has obtained approval from the SC as a Private Retirement Scheme Provider under Section 139Q of the Capital Markets and Services Act 2007, on 5 April 2012.

Principal Malaysia holds a Capital Markets Services License for fund management and dealing in securities restricted to unit trust under the CMSA and specialises in managing and operating unit trusts for Malaysian 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. Principal Malaysia originally commenced its operations as a unit trust company in November 1995. As at LPD, Principal Malaysia has more than 23 years of experience in the unit trust industry. The shareholders of 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 PFG, which was established in 1879 and is a diversified global financial services group servicing more than 15 million customers.

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

The primary roles, duties and responsibilities of Principal Malaysia as the PRS Provider of the Scheme include:

- maintaining a register of Members;
- implementing the appropriate investment strategies to achieve the Funds' investment objectives;
- ensuring that the Funds have sufficient holdings in liquid assets;
- arranging for the sale and repurchase of Units;
- calculating the amount of income to be distributed to Members, if any;
- maintaining proper records of the Scheme; and
- perform the duties and responsibilities required by the PPA.

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

8.1.1 The Board of Directors

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

Effendy bin Shahul Hamid	- Non-independent director	Juan Ignacio Eyzaguirre	- Non-independent director
Pedro Esteban Borda	- Non-independent director	Wong Joon Hian	- Independent director
Munirah binti Khairuddin	- Non-independent director	A.Huzaim 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.

8.1.2 Investment Committee

As at LPD, the Investment Committee consists of six (6) members including four (4) independent members. Generally, the Investment Committee meets once a month and is responsible for ensuring that the investment management of the Funds is consistent with the objectives of the Funds, the Deeds, the SC Guidelines and relevant securities laws, our internal investment restrictions and policies, as well as acceptable and efficacious investment management practices within the unit trust industry. In this role, the powers and duties of the Investment Committee include formulating and monitoring our implementation of appropriate investment management strategies for the Funds and the measurement and evaluation of our performance.

8.1.3 Audit Committee

As at LPD, the Audit Committee consists of three (3) members including two (2) independent members. The Audit Committee monitors and ensures transparency and accuracy of financial reporting, and effectiveness of external and internal audit functions of Principal Malaysia. The Audit Committee meets at least four (4) times a year.

Name:	Pedro Esteban Borda
Designation:	President - Southeast Asia & India of Principal International (South Asia) Sdn Bhd

Experience:	He is the President, Southeast Asia & India of Principal International (South Asia) Sdn Bhd (“PISA”) based in Malaysia. He is also a Director of Principal Malaysia since 20 June 2013. Prior to joining PISA, he was Chief Executive Officer, ASEAN Region of Principal Malaysia. In addition, he was the Country Head – Mexico from 2004 to February 2013, Vice President of Principal Financial Group and previously a member of the Board of Directors of Principal Financial Group, Chile.
Qualifications:	Bachelor Degree in Business Administration and a Master Degree in Finance, both from Universidad Argentina de la Empresa (U.A.D.E), Buenos Aires, Argentina.

Name:	Wong Joon Hian *
Designation:	Independent Non-Executive Director and Chairman of Audit Committee of Principal Malaysia
Experience:	Has been an independent non-executive director of Principal Asset Management Berhad since 22 August 2007. He has accumulated over 30 years of working experience in the areas of audit, accountancy, financial services and corporate management. He commenced his career when he joined Price Waterhouse & Co. in England after qualifying as a Chartered Accountant in 1973. He returned to Malaysia in 1975 to work for Price Waterhouse (now known as PricewaterhouseCoopers PLT), Malaysia until 1985. He then served as the Technical Manager of The Malaysian Association of Certified Public Accountants from 1986 until he was appointed as the General Manager-Operations of Supreme Finance (Malaysia) Berhad in December 1987. After Mayban Finance Berhad had completed the acquisition of Supreme Finance (Malaysia) Berhad in 1991, he joined BDO Binder as an Audit Principal until 1994 when he joined Advance Synergy Berhad. He was appointed the managing director of United Merchant Group Berhad (now known as Advance Synergy Capital Sdn Bhd) in 1995. During the period from 1995 till 2007 he was a director of Ban Hin Lee Bank Berhad, Southern Investment Bank Berhad and United Merchant Finance Berhad. Currently, he is a director in several companies under the Advance Synergy Berhad Group and CIMB Group Holdings Berhad Group. He is also an independent non-executive director of Principal Islamic Asset Management Sdn Bhd.
Qualifications:	Member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants and a fellow member of the Institute of Chartered Accountants in England and Wales.

Name:	Hisham bin Zainal Mokhtar *																																
Designation:	Director of Principal Malaysia																																
Experience:	<table border="0"> <tr> <td>July 2018 – March 2019</td> <td>Director, Malaysian Industrial Development Finance</td> </tr> <tr> <td>July 2014 – June 2018</td> <td>Chief Operating Officer – Astro Overseas Limited</td> </tr> <tr> <td>April 2009 – June 2014</td> <td>Director, Investments – Khazanah Nasional Berhad</td> </tr> <tr> <td>May 2007 – March 2009</td> <td>Senior Vice President, Investments – Khazanah Nasional Berhad</td> </tr> <tr> <td>May 2005 – April 2007</td> <td>Vice President, Investments – Khazanah Nasional Berhad</td> </tr> <tr> <td>April 2001 – April 2005</td> <td>Executive Director and Vice President, Corporate & Financial Planning – Tricubes Berhad</td> </tr> <tr> <td>January 2001 – April 2001</td> <td>Head, Analyst – Britac Capital Sdn Bhd</td> </tr> <tr> <td>April 2000 – December 2000</td> <td>Executive Director – K.E. Malaysian Capital Partners Sdn Bhd</td> </tr> <tr> <td>August 1999 – February 2000</td> <td>Financial Consultant – Santander Investment Research (Malaysia) Sdn Bhd</td> </tr> <tr> <td>August 1998 – July 1999</td> <td>Financial Consultant – Sithe Pacific LLC</td> </tr> <tr> <td>May 1998 – August 1998</td> <td>Dealer’s Representative – CIMB Securities Sdn Bhd</td> </tr> <tr> <td>October 1996 – March 1998</td> <td>Senior Research Analyst – UBS Research (Malaysia) Sdn Bhd</td> </tr> <tr> <td>December 1995 – September 1996</td> <td>Investment Analyst – Crosby Research (Malaysia) Sdn Bhd</td> </tr> <tr> <td>September 1994 – December 1995</td> <td>Investment Analyst – Baring Research (Malaysia) Sdn Bhd</td> </tr> <tr> <td>March 1994 – July 1994</td> <td>Head of Research – Keluangsa Sdn Bhd</td> </tr> <tr> <td>May 1991 – March 1994</td> <td>Research Executive – Crosby Research (Malaysia) Sdn Bhd</td> </tr> </table>	July 2018 – March 2019	Director, Malaysian Industrial Development Finance	July 2014 – June 2018	Chief Operating Officer – Astro Overseas Limited	April 2009 – June 2014	Director, Investments – Khazanah Nasional Berhad	May 2007 – March 2009	Senior Vice President, Investments – Khazanah Nasional Berhad	May 2005 – April 2007	Vice President, Investments – Khazanah Nasional Berhad	April 2001 – April 2005	Executive Director and Vice President, Corporate & Financial Planning – Tricubes Berhad	January 2001 – April 2001	Head, Analyst – Britac Capital Sdn Bhd	April 2000 – December 2000	Executive Director – K.E. Malaysian Capital Partners Sdn Bhd	August 1999 – February 2000	Financial Consultant – Santander Investment Research (Malaysia) Sdn Bhd	August 1998 – July 1999	Financial Consultant – Sithe Pacific LLC	May 1998 – August 1998	Dealer’s Representative – CIMB Securities Sdn Bhd	October 1996 – March 1998	Senior Research Analyst – UBS Research (Malaysia) Sdn Bhd	December 1995 – September 1996	Investment Analyst – Crosby Research (Malaysia) Sdn Bhd	September 1994 – December 1995	Investment Analyst – Baring Research (Malaysia) Sdn Bhd	March 1994 – July 1994	Head of Research – Keluangsa Sdn Bhd	May 1991 – March 1994	Research Executive – Crosby Research (Malaysia) Sdn Bhd
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March 1994 – July 1994	Head of Research – Keluangsa Sdn Bhd																																
May 1991 – March 1994	Research Executive – Crosby Research (Malaysia) Sdn Bhd																																
Qualifications:	Master in Business Administration, Massachusetts Institute of Technology – Sloan School of Management; Master of Science (Mathematics), Illinois State University; Bachelor of Science (Mathematics), Illinois State University; Chartered Financial Analyst Charterholder.																																

*Independent member

8.1.4 Designated person responsible for fund management function

Name:	Patrick Chang Chian Ping
Designation:	Chief Investment Officer (CIO), Malaysia & Chief Investment Officer, Equities, ASEAN Region
Experience:	Patrick Chang joined Principal Malaysia on 22 February 2016 and currently holds the positions of CIO, Malaysia and CIO Equities, ASEAN Region effective 1 October 2018. He comes with more than 18 years of experience in asset management. He was previously the Head of ASEAN equities at BNP Paribas Investment Partners, Malaysia where he oversees ASEAN equities for both Malaysian and offshore clients from 2012. Prior to that, he served as Senior Vice President for Principal Malaysia where he specialized in Malaysia, ASEAN and Asia specialist funds. He also worked as a portfolio manager at Riggs and Co International Private Banking in London specializing in managing global ETF portfolios and holds the Capital Markets

	Services Representative License.
Qualifications:	MSc Finance from City University Business School and BSc Accounting and Financial Analysis from University of Warwick, UK.

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

9. SUB-ADVISER OF THE FUNDS

9.1. ABOUT PRINCIPAL ASSET MANAGEMENT (S) PTE LTD

With effect from 1 June 2020, Principal Singapore will be appointed as the Sub-Adviser for the Funds. Principal Singapore will provide investment research and stock recommendation to Principal Malaysia.

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

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

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

Designated person responsible for fund management function

Name:	Christopher Leow
Designation:	Chief Executive Officer and Chief Investment Officer, Principal Singapore
Experience:	Mr Leow joined Principal Malaysia in December 2003 and was transferred to Principal Singapore in May 2007. He has more than 20 years of experience in the equities and fund management industry. He is the Chief Executive Officer, Chief Investment Officer and a director of Principal Singapore, and is responsible for leading the International Investment team based in Singapore. He has been registered with the Authority under the Securities and Futures Act as a Representative of Principal Singapore in fund management since September 2007.
Qualifications:	Bachelor of Commerce in Accounting and Finance (Hons) from the University of Western Australia. He is a CFA and a Certified Financial Planner.

Note: For more information, updated information and/or change in sub-advisory arrangement (if any), please refer to our website at <http://www.principal.com.my>.

10. THE TRUSTEE

10.1. ABOUT DEUTSCHE TRUSTEES MALAYSIA BERHAD

Deutsche Trustees Malaysia Berhad (“DTMB”) [200701005591 (Company No. 763590-H)] was incorporated in Malaysia on 22 February 2007 and commenced business in May 2007. The Company is registered as a trust company under the Trust Companies Act 1949, with its business address at Level 20, Menara IMC, 8 Jalan Sultan Ismail, 50250 Kuala Lumpur.

DTMB is a member of Deutsche Bank Group (“Deutsche Bank”). Deutsche Bank provides commercial and investment banking, retail banking, transaction banking and asset and wealth management products and services to corporations, governments, institutional investors, small and medium-sized businesses, and private individuals.

DTMB’s financial position

	Year Ended 31 December		
	2018 (RM)	2017 (RM)	2016 (RM)
Paid-up share capital	3,050,000	3,050,000	3,050,000
Shareholders’ funds	10,622,259	9,972,631	6,905,127
Revenue	18,857,674	14,179,889	12,284,889
Profit / (loss) before tax	9,713,8774	9,112,433	3,015,208
Profit / (loss) after tax	7,572,256	6,922,631	2,186,159

Experience in trustee business

DTMB is part of Deutsche Bank’s Securities Services, which provides trust, custody and related services on a range of securities and financial structures. As at LPD, DTMB is the trustee for one hundred and eighty (180) collective investment schemes including unit trust funds, wholesale funds, exchange-traded funds and private retirement schemes.

DTMB’s trustee services are supported by Deutsche Bank (Malaysia) Berhad (“DBMB”), a subsidiary of Deutsche Bank Group, financially and for various functions, including but not limited to financial control and internal audit.

Board of Directors

Jacqueline William
Liew Yeh Yin
Jalalullail Othman*
Lew Lup Seong*

* *Independent Director*

Chief Executive Officer

Richard Lim

What are the roles, duties and responsibilities of the Trustee?

DTMB’s main functions are to act as trustee and custodian of the assets of the Funds and to safeguard the interests of Members of the Funds. In performing these functions, the Trustee has to exercise due care and vigilance and is required to act in accordance with the relevant provisions of the Deed, the Capital Markets & Services Act 2007 and all relevant laws.

Trustee’s statement of responsibility

The Trustee has given its willingness to assume the position as trustee of the Funds and is willing to assume all its obligations in accordance with the Deed, the Capital Markets & Services Act 2007 and all relevant laws. 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 Funds and in respect of repurchase; the Trustee’s responsibility is discharged once it has paid the repurchase amount to the PRS Provider.

Trustee’s Disclosure of Material Litigation

As at LPD, neither the Trustee nor its delegate is (a) engaged in any material litigation and arbitration, including those pending or threatened, nor (b) 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 delegate.

DTMB's delegate

The Trustee has appointed DBMB as the custodian of the assets of the Fund. DBMB is a wholly-owned subsidiary of Deutsche Bank AG. DBMB offers its clients access to a growing domestic custody network that covers over 30 markets globally and a unique combination of local expertise backed by the resources of a global bank. In its capacity as the appointed custodian, DBMB's roles encompass safekeeping of assets of the Funds; trade settlement management; corporate actions notification and processing; securities holding and cash flow reporting; and income collection and processing.

All investments are automatically registered in the name of, or to the order, of the Funds. DBMB shall act only in accordance with instructions from the Trustee.

Disclosure on related-party transactions/conflict of interests

As the Trustee for the Scheme, there may be related party transactions involving or in connection with the Funds in the following events:

- (1) Where the Funds invest in the products offered by Deutsche Bank AG and any of its group companies (e.g. money market placement, etc.);
- (2) Where the Funds have obtained financing from Deutsche Bank AG and any of its group companies, as permitted under the Securities Commission's guidelines and other applicable laws; and
- (3) Where DTMB has delegated its custodian functions for the Funds to DBMB.

DTMB will rely on the PRS Provider to ensure that any related party transactions, dealings, investments and appointments are on terms which are the best that are reasonably available for or to the Funds and are on an arm's length basis as if between independent parties.

While DTMB has internal policies intended to prevent or manage conflicts of interests, no assurance is given that their application will necessarily prevent or mitigate conflicts of interests. DTMB's commitment to act in the best interests of the Members of the Funds does not preclude the possibility of related party transactions or conflicts.

11. SALIENT TERMS OF DEED

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

You will be recognised as a registered Member in the Fund on the Business Day your details are entered onto the register of Members.

11.1. RIGHTS, LIABILITIES AND LIMITATIONS OF MEMBERS

11.1.1 RIGHTS

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

- to inspect the register, free of charge, at any time at our registered office, and obtain such information pertaining to your Units as permitted under the Deeds and the SC Guidelines;
- to receive the distribution of the Fund (if any), participate in any increase in the capital value of the Units and to other rights and privileges as set out in the Funds' Deeds;
- to call for meetings of Members in the manner specified in the Deed;
- to vote for the removal of the Scheme Trustee through a Special Resolution;
- to receive annual reports, interim reports or any other reports of the Funds; and
- to exercise cooling-off for qualified Members.

Members' rights may be varied by changes to the relevant Deeds, the SC Guidelines or judicial decisions or interpretation.

11.1.2 Liabilities

- Your liability is limited to the application price paid for a Unit. You need not indemnify the Trustee or us if there is a deficiency in the assets of the Funds to meet the claim of any creditor of the Trustee or ours in respect of the Funds.
- Our recourse and the recourse of the Trustee and any creditor is limited to the assets of the Funds.

11.1.3 Limitations

You cannot:

- (i) interfere with any of our rights or powers and/or the rights or powers of the Trustee under the Deeds;
- (ii) exercise a right in respect of an asset of the Funds or lodge a caveat or other notice affecting the asset of the Funds or otherwise claim any interest in the asset of the Funds; or
- (iii) require the asset of the Funds to be transferred to you.

For full details of the rights of a registered Member of the Funds, please refer to the Deed.

11.2. MAXIMUM FEES AND CHARGES PERMITTED BY THE DEED

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

	Charges		
	Sales Charge % / RM	Redemption Charge % / RM	Switching Fee % / RM
Class A			
Principal PRS Plus Conservative	Up to 7% of the NAV per Unit	Up to 5% of the NAV per Unit	A fee not exceeding 7% of the NAV per Unit. An administrative fee in relation to switching may be charged as set out in the Disclosure Document.
Principal PRS Plus Moderate	Up to 7% of the NAV per Unit	Up to 5% of the NAV per Unit	A fee not exceeding 7% of the NAV per Unit. An administrative fee in relation to switching may be charged as set out in the Disclosure Document.

	Charges		
	Sales Charge % / RM	Redemption Charge % / RM	Switching Fee % / RM
Principal PRS Plus Growth	Up to 7% of the NAV per Unit	Up to 5% of the NAV per Unit	A fee not exceeding 7% of the NAV per Unit. An administrative fee in relation to switching may be charged as set out in the Disclosure Document.
Principal PRS Plus Equity	Up to 7% of the NAV per Unit	Up to 5% of the NAV per Unit	A fee not exceeding 7% of the NAV per Unit. An administrative fee in relation to switching may be charged as set out in the Disclosure Document.
Principal PRS Plus Asia Pacific Ex Japan Equity	Up to 7% of the NAV per Unit	Up to 5% of the NAV per Unit	A fee not exceeding 7% of the NAV per Unit. An administrative fee in relation to switching may be charged as set out in the Disclosure Document.
Class C			
Principal PRS Plus Conservative	Up to 7% of the NAV per Unit	Up to 5% of the NAV per Unit	A fee not exceeding 7% of the NAV per Unit. An administrative fee in relation to switching may be charged as set out in the Disclosure Document.
Principal PRS Plus Moderate	Up to 7% of the NAV per Unit	Up to 5% of the NAV per Unit	A fee not exceeding 7% of the NAV per Unit. An administrative fee in relation to switching may be charged as set out in the Disclosure Document.
Principal PRS Plus Growth	Up to 7% of the NAV per Unit	Up to 5% of the NAV per Unit	A fee not exceeding 7% of the NAV per Unit. An administrative fee in relation to switching may be charged as set out in the Disclosure Document.
Principal PRS Plus Equity	Up to 7% of the NAV per Unit	Up to 5% of the NAV per Unit	A fee not exceeding 7% of the NAV per Unit. An administrative fee in relation to switching may be charged as set out in the Disclosure Document.
Principal PRS Plus Asia Pacific Ex Japan Equity	Up to 7% of the NAV per Unit	Up to 5% of the NAV per Unit	A fee not exceeding 7% of the NAV per Unit. An administrative fee in relation to switching may be charged as set out in the Disclosure Document.
Class X			
Principal PRS Plus Conservative	Up to 7% of the NAV per Unit	Up to 5% of the NAV per Unit	A fee not exceeding 7% of the NAV per Unit. An administrative fee in relation to switching may be charged as set out in the Disclosure Document.
Principal PRS Plus Moderate	Up to 7% of the NAV per Unit	Up to 5% of the NAV per Unit	A fee not exceeding 7% of the NAV per Unit. An administrative fee in relation to switching may be charged as set out in the Disclosure Document.
Principal PRS Plus Growth	Up to 7% of the NAV per Unit	Up to 5% of the NAV per Unit	A fee not exceeding 7% of the NAV per Unit. An administrative fee in relation to switching may be charged as set out in the Disclosure Document.
Principal PRS Plus Equity	Up to 7% of the NAV per Unit	Up to 5% of the NAV per Unit	A fee not exceeding 7% of the NAV per Unit. An administrative fee in relation to switching may be charged as set out in the Disclosure Document.

	Charges		
	Sales Charge % / RM	Redemption Charge % / RM	Switching Fee % / RM
Principal PRS Plus Asia Pacific Ex Japan Equity	Up to 7% of the NAV per Unit	Up to 5% of the NAV per Unit	A fee not exceeding 7% of the NAV per Unit. An administrative fee in relation to switching may be charged as set out in the Disclosure Document.

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

	Fees	
	Management Fee % / RM	Trustee Fee % / RM
Class A		
Principal PRS Plus Conservative	Up to 3% per annum on the NAV	Up to 0.04% per annum, calculated daily on the NAV (including local custodian fee and charges but excluding foreign sub-custodian fees and charges)
Principal PRS Plus Moderate	Up to 3% per annum on the NAV	Up to 0.04% per annum, calculated daily on the NAV (including local custodian fee and charges but excluding foreign sub-custodian fees and charges)
Principal PRS Plus Growth	Up to 3% per annum on the NAV	Up to 0.04% per annum, calculated daily on the NAV (including local custodian fee and charges but excluding foreign sub-custodian fees and charges)
Principal PRS Plus Equity	Up to 3% per annum on the NAV	Up to 0.04% per annum, calculated daily on the NAV (including local custodian fee and charges but excluding foreign sub-custodian fees and charges)
Principal PRS Plus Asia Pacific Ex Japan Equity	Up to 3% per annum on the NAV	Up to 0.04% per annum, calculated daily on the NAV (including local custodian fee and charges but excluding foreign sub-custodian fees and charges)
Class C		
Principal PRS Plus Conservative	Up to 3% per annum on the NAV	Up to 0.04% per annum, calculated daily on the NAV (including local custodian fee and charges but excluding foreign sub-custodian fees and charges)
Principal PRS Plus Moderate	Up to 3% per annum on the NAV	Up to 0.04% per annum, calculated daily on the NAV (including local custodian fee and charges but excluding foreign sub-custodian fees and charges)
Principal PRS Plus Growth	Up to 3% per annum on the NAV	Up to 0.04% per annum, calculated daily on the NAV (including local custodian fee and charges but excluding foreign sub-custodian fees and charges)
Principal PRS Plus Equity	Up to 3% per annum on the NAV	Up to 0.04% per annum, calculated daily on the NAV (including local custodian fee and charges but excluding foreign sub-custodian fees and charges)
Principal PRS Plus Asia Pacific Ex Japan Equity	Up to 3% per annum on the NAV	Up to 0.04% per annum, calculated daily on the NAV (including local custodian fee and charges but excluding foreign sub-custodian fees and charges)
Class X		
Principal PRS Plus Conservative	Up to 3% per annum on the NAV	Up to 0.04% per annum, calculated daily on the NAV (including local custodian fee and charges but excluding foreign sub-custodian fees and charges)
Principal PRS Plus Moderate	Up to 3% per annum on the NAV	Up to 0.04% per annum, calculated daily on the NAV (including local custodian fee and charges but excluding foreign sub-custodian fees and charges)

	Fees	
	Management Fee % / RM	Trustee Fee % / RM
Principal PRS Plus Growth	Up to 3% per annum on the NAV	Up to 0.04% per annum, calculated daily on the NAV (including local custodian fee and charges but excluding foreign sub-custodian fees and charges)
Principal PRS Plus Equity	Up to 3% per annum on the NAV	Up to 0.04% per annum, calculated daily on the NAV (including local custodian fee and charges but excluding foreign sub-custodian fees and charges)
Principal PRS Plus Asia Pacific Ex Japan Equity	Up to 3% per annum on the NAV	Up to 0.04% per annum, calculated daily on the NAV (including local custodian fee and charges but excluding foreign sub-custodian fees and charges)

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

Any increase of the fees and/or charges above that stated in the Disclosure Document may be made provided that we have notified the Trustee and the SC in writing of the higher charge and the effective date of the charge. In addition, a supplementary or replacement disclosure document 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.

11.2.1. Expenses permitted by the Deed

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

- commissions/fees paid to brokers/dealers in effecting dealings in that Fund's property, shown on the contract notes or confirmation notes or difference accounts;
- (where the foreign custodial function is delegated by the Trustee), charges/fees paid to the sub-custodian;
- tax and other duties charged on that Fund by the government and other authorities if any and bank fees;
- the fees and other expenses properly incurred by the auditor;
- remuneration and out of pocket expenses of the independent members of the investment committee and/or the members of the Shariah committee or advisers (if any) of that Fund, unless we decide to bear the same;
- fees for valuation of any investment of that Fund by independent valuers for the benefit of that Fund under the Scheme;
- costs incurred for the modification of the Deed other than those for our benefit or the Trustee's;
- costs incurred for any meeting of Members other than those convened by, or for our benefit or the Trustee's;
- 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 that Fund;
- winding-up of that Fund or Class and the retirement or removal of the Trustee or PRS Provider and the appointment of a new trustee or PRS provider;
- any proceedings, arbitration or other dispute concerning that Fund, Class or any asset, including proceedings against the Trustee or us or by either of them for the benefit of that 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 that Fund);
- costs of obtaining experts opinion by the Trustee and us for the benefit of the Fund or Class; and
- the costs of printing and dispatching to members the accounts of the Funds, 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 which stipulate the maximum rate in percentage terms that can be charged.

11.3. RETIREMENT, REMOVAL AND REPLACEMENT OF THE PRS PROVIDER

We must retire as the PRS provider of the Scheme when required to retire by law. We may retire by giving twelve (12) months' notice to the Trustee or any shorter notice the Trustee accepts provided always that any such retirement shall not be effective or valid if the SC has decided under the CMSA not to withdraw the approval of us as a PRS provider of the Scheme.

The Trustee shall take all necessary steps to replace us, if:

- (i) we go into liquidation (except for the purpose of amalgamation or reconstruction or some similar purpose) or if a receiver or judicial manager is appointed in respect of any of their assets or if any encumbrancer shall take possession of any of their assets; or
- (ii) unless expressly directed otherwise by the SC, if we have ceased to be eligible to be a PRS provider under the Act; or

- (iii) unless expressly directed otherwise by the SC, if the Trustee is of the opinion that we have, to the prejudice of the Members, failed to comply with any provision or covenant herein or contravened any of the provisions of the Act; or
- (iv) 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 Members to do so, after the Trustee has given reasonable notice to us of that opinion and the reasons for that opinion, and has considered any representations made by us in respect of that opinion, and after consultation with the SC.

In any of the cases aforesaid all such replacement shall be subject to the prior approval of the SC and we shall upon notice by the SC cease to be the PRS provider of the Scheme.

On our retirement or replacement, the Trustee shall by writing under its seal appoint some other corporation already approved by the SC to be the PRS provider for the Scheme to act upon and subject to such corporation entering into such deed or deeds as the Trustee may be advised to be necessary or desirable to be entered into by such corporation in order to secure the due performance of its duties as a PRS provider and be bound by the provisions herein which deed shall provide that the new PRS provider to be appointed thereunder shall purchase from the retiring PRS Provider all Units held by us of which they are the Member or deemed to be the Member at the redemption price referred to in the Deed.

11.4. RETIREMENT, REMOVAL AND REPLACEMENT OF THE TRUSTEE

The Trustee shall retire as trustee of the Scheme when required to retire by law. The Trustee may retire by giving twelve (12) months' or any shorter notice to us and the Trustee shall agree which shall in any event not be less than three (3) months provided always that the Trustee shall and hereby undertakes that it shall act as Trustee of the Scheme until a new/replacement trustee for the Scheme is appointed and has taken office as the Scheme's trustee.

We shall take the necessary steps to call a meeting of Members of the Scheme to remove the Trustee where we becomes aware that:

- (i) the Trustee ceased to exist or carry on business;
- (ii) the Trustee has not been validly appointed;
- (iii) the Trustee ceases to be approved by the SC to be a trustee for PRS;
- (iv) the Trustee is not or has ceased to be eligible to be appointed or to act as trustee under the law for the time being applicable;
- (v) the Trustee has failed or refused to act as trustee in accordance with the provisions and covenants of this Deed or the CMSA or the SC Guidelines;
- (vi) the Trustee shall go into liquidation or if a receiver is appointed over the whole or substantial part of the assets or undertaking of the Trustee and has not ceased to act under that appointment or a petition has been presented for the winding up of the Trustee (other than for the purpose of and followed by an amalgamation or reconstruction, unless during or following such amalgamation or reconstruction the Trustee becomes or is declared insolvent); or
- (vii) the Trustee is under investigation for conduct that contravenes the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act 1965 or any securities law.

At any such Members' meeting to remove the Trustee, a Special Resolution of the Members of the Scheme voting at the meeting duly convened in accordance with the Deed is required to remove the Trustee.

11.5. TERMINATION OF THE SCHEME AND/OR FUNDS

Prior approval of the SC is required before the Scheme may be terminated. A Fund under a Scheme may be terminated or wound-up upon the occurrence of any of the following events:-

- (a) the SC's approval for the PRS is withdrawn under sub-sections 139X(1) or 139X(2) of the CMSA;
- (b) The SC's authorization for the Fund is revoked under Clause 7.10 of the SC Guidelines;
- (c) A Special Resolution is passed at a members' meeting to wind up the Non-Core Fund;
- (d) The Fund has reached its maturity date as specified in the deed; and
- (e) The effective date of an approved transfer scheme has resulted in the Non-Core Fund, which is the subject of the transfer scheme, being left with no asset or property.

A Class may be wound-up if a Special Resolution is passed at a Members' meeting of that Class to wind-up that Class provided always that such winding-up of that Class does not materially prejudice the interest of any other Class, and in respect of a Core Fund would not result in the winding-up of that Core Fund.

11.6. MEETINGS OF MEMBERS

A Members' meeting may be called by us, the Trustee and/or Members. Any such meeting must be convened in accordance with the Deed and/or the SC Guidelines.

Voting is by a show of hands, unless a poll is duly demanded or the resolution proposed is required by this Deed or by law to be decided by a percentage of all Units. At any meeting of Members of the Class, Fund or the Scheme, as the case may be, save and except for a resolution for the termination or winding-up of the Non-Core Fund or a Class to a Fund, as the case may be, each

Member present in person or by proxy has one vote on a show of hands, regardless of its NAV per Unit. On a poll save and except for a resolution for the termination or winding-up of the Non-Core Fund or a Class to a Fund, as the case may be, each Member of the Class, Fund or the Scheme, as the case may be, present in person or by proxy has one vote for each whole fully paid Unit held regardless of its NAV per Unit.

The quorum for a meeting of Members of a Class, Fund or the Scheme, as the case may be, is five (5) Members of that Class, Fund or the Scheme, 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) Members of the Class, Fund or the Scheme, 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 that Class, Fund or the Scheme, as the case may be, at the time of the meeting. If the Class, Fund or the Scheme, as the case may be, has five (5) or less Members, the quorum required shall be two (2) Members of that Class, Fund or the Scheme, 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) Members of the Class, Fund or the Scheme, 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 that Class, Fund or the Scheme, as the case may be, at the time of the meeting.

12. TAXATION REPORT

PricewaterhouseCoopers Taxation Services Sdn Bhd

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

The Board of Directors

Principal Asset Management Berhad
(formerly known as CIMB-Principal Asset Management Berhad)
10th Floor Bangunan CIMB
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur

31 January 2020

Dear Sirs,

TAXATION OF THE FUNDS OFFERED UNDER PRINCIPAL PRS PLUS (FORMERLY KNOWN AS CIMB-PRINCIPAL PRS PLUS) AND MEMBERS

This letter has been prepared for inclusion in the Second Replacement Disclosure Document in connection with the offer of units in the Principal PRS Plus (formerly known as CIMB-Principal PRS Plus) (“the PRS”) which is listed in the Appendix (“the Funds”).

The taxation of income for the Funds, members and employers are subject to the provisions of the Malaysian Income Tax Act 1967 (“the Act”).

(A) TAXATION OF THE FUNDS

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

(i) Domestic and Foreign Investments

On the basis that the Funds are private retirement scheme approved by the Securities Commission (“SC”), the income of the Funds accruing in Malaysia or from overseas investments are exempt from tax.

“Private Retirement Scheme” is defined as a retirement scheme approved by the SC in accordance with the Capital Markets and Services Act 2007.

“Approved scheme” is defined to include the Employees Provident Fund, private retirement scheme or any pension or provident fund, scheme or society approved by the Director General under Section 150 of the Act. Approved scheme is exempted from tax under Paragraph 20, Schedule 6 of the Act.

(ii) Malaysian Dividends and other exempt income

Malaysian dividends paid by companies are single-tier exempt dividends and would not be taxable in the hands of the recipient. Dividends received from companies that are under the single-tier system would be exempted from tax and the expenses incurred on such dividends would be disregarded. There will not be any tax refunds available for single-tier dividends received.

Interest income or discount income derived from the following investments is 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; and
- c) Bon Simpanan Malaysia issued by Bank Negara Malaysia.

As such, provided the investment in structured products is seen to be “debentures” under Capital Markets and Services Act 2007, the income received will be exempted.

Interest income derived from the following investments is 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; and
- d) Interest paid or credited by Malaysia Building Society Berhad¹.

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

In any case, since the retirement fund is exempted under Paragraph 20, Schedule 6 of the Act, all income will be tax exempted.

(B) MEMBERS

(i) Tax relief

Individual members who are Malaysian tax residents who has:-

- a) paid any premium of deferred annuity; or
- b) made or suffered the making of a contribution to a private retirement scheme,

shall be allowed a tax deduction of the aggregate amount of the payments up to RM3,000 for a year of assessment.

This will mean that contributions to the Funds will enjoy this tax relief up to RM3,000.

(ii) Withdrawal of contributions

The withdrawals of contributions from PRS by an individual before the age of 55 (other than by reason of permanent total disablement, serious disease, mental disability, death, permanently leaving Malaysia, healthcare or housing²) will be subject to withholding tax of 8% on every ringgit of that contribution withdrawn. The withholding tax is to be deducted by the PRS providers and remitted to the Malaysian Inland Revenue Board (“IRB”) within one month after the withdrawn contribution is credited to the member’s account. Where the PRS providers fail to remit the withholding tax to the IRB by the due date, a 10% penalty on the unpaid amount will be imposed on the PRS providers.

(C) EMPLOYERS

(i) Deductibility of contribution made

Employers are entitled to claim a tax deduction on contributions made to approved schemes¹ up to 19% of the employees’ remuneration. This will mean that contributions made by an employer for the employee to the Funds will be tax deductible so

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.

² Pursuant to Finance Act 2019 (Act 823), with effect from 1 January 2020.

long as the total contributions to the Funds, Employee Provident Fund and other approved schemes do not exceed 19% of employees' remuneration.

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 Funds.

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 taxation adviser in the form and context in which it appears in the Second Replacement Disclosure Document and have not, before the date of issue of the Second Replacement Disclosure Document, withdrawn such consent.

Appendix

The Scheme consists of the following funds:-

Core Funds

Principal PRS Plus Conservative
Principal PRS Plus Moderate
Principal PRS Plus Growth

Formerly known as

CIMB-Principal PRS Plus Conservative
CIMB-Principal PRS Plus Moderate
CIMB-Principal PRS Plus Growth

Non-Core Funds

Principal PRS Plus Equity
Principal PRS Plus Asia Pacific Ex Japan Equity

CIMB-Principal PRS Plus Equity
CIMB-Principal PRS Plus Asia Pacific Ex Japan Equity

13. DISTRIBUTORS OF THE SCHEME

As at LPD, the Scheme is available from the following Distributors and their branches as well other Distributors:

13.1. OUR BRANCHES

Main Branch

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

30 Ground 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

13.2. INSTITUTIONAL PRS ADVISERS

CIMB Bank Berhad

Menara Bumiputra Commerce,
No. 11, Jalan Raja Laut,
50350 Kuala Lumpur
Tel: 03 2635 6001

Harveston Wealth Management Sdn Bhd

D-9-02, Capital 4, Oasis Square,
No.2, Jalan PJU 1A/7A,
Ara Damansara,
47301, Petaling Jaya,
Selangor
Tel: 016-262 1956

Citibank Berhad

Level 45, Menara Citibank,
165 Jalan Ampang,
50450 Kuala Lumpur.
Tel: 03-2383 0000

iFAST Capital Sdn Bhd

Level 28, Menara AIA Sentral,
No. 30, Jalan Sultan Ismail,
50250 Kuala Lumpur, Malaysia.
Tel: (603) 2149 0567

Website: <https://www.ifastcapital.com.my>
<https://www.fundsupermart.com.my>

Kenanga Investment Bank Berhad

8th Floor, Kenanga International,
Jalan Sultan Ismail,
50250, Kuala Lumpur
Tel: 03 2172 3000

Phillip Mutual Bhd

B -2 -7 Megan Avenue II
23 Jln Yap Kwan Seng
50450 Kuala Lumpur
Tel: 03-2783 0300
Website: www.poems.com.my

Standard Financial Adviser Sdn Bhd

B-8-3a, Block B West,
Menara PJ8, No. 23 Jalan Barat,
46050, Petaling Jaya
Selangor
Tel: 03-7954 5486

VKA Wealth Planners Sdn Bhd

E-7-27, IOI Boulevard, Jalan Kenari 5,
Bandar Puchong Jaya,
47170 Puchong
Selangor
Tel: +603 8071 1661
Website: www.vka.com.my

Whitman Independent Advisor Sdn Bhd

No. 19-2, Level 1, Block E1,
Jalan PJU 1/42, Dataran Prima,
47301, Petaling Jaya,
Selangor
Tel: 03-7880 8359

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

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Principal Asset Management Berhad
(199401018399 (304078-K))

Enquiries:

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

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

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