

Information Memorandum

19 December 2019

Principal Wholesale Equity Fund

(formerly known as CIMB-Principal Wholesale Equity Fund)

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

Trustee : **PB Trustee Services Berhad** (196801000374 (7968-T))

THIS IS A REPLACEMENT INFORMATION MEMORANDUM. THIS INFORMATION MEMORANDUM IS ISSUED TO REPLACE AND/OR SUPERSEDE THE REPLACEMENT INFORMATION MEMORANDUM OF THE CIMB-PRINCIPAL WHOLESALE EQUITY FUND DATED 6 JULY 2009, THE FIRST SUPPLEMENTAL INFORMATION MEMORANDUM DATED 19 March 2015.

This Replacement Information Memorandum Issue No. 3 of the Principal Wholesale Equity Fund is dated 19 December 2019.

The Fund was constituted on 7 August 2007.

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

ABOUT THIS DOCUMENT

This is an Information Memorandum which introduces you to Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (“Principal Malaysia”) and the Principal Wholesale Equity Fund, which is a Wholesale Fund. This Information Memorandum outlines in general the information you need to know about the Fund and is intended for the exclusive use of the prospective Sophisticated Investors (as defined herein) who should ensure that all information contained herein remains confidential.

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

If you have any questions about the Fund, please contact our Corporate & Institutional Business at (03) 2084 8888 on any Business Day between 8:45 a.m. and 5:45 p.m. (Malaysian time) on Mondays to Thursday and between 8:45 a.m. and 4:45 p.m. (Malaysian time) on Fridays (except on Kuala Lumpur public holidays).

Unless otherwise indicated, any reference in this Information Memorandum 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notices, legislations or statutes for the time being in force, as may be amended, varied, modified, updated, superseded and/or re-enacted from time to time.

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

Please note all references to currency amounts and NAV per unit in the Information Memorandum are in Malaysian Ringgit unless otherwise indicated.

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

DEFINITIONS

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

| | |
|-----------------------------------|---|
| Application Fee | - Preliminary charge on each investment. |
| Business Day | - Mondays to Fridays when Bursa Malaysia Securities Berhad is open for trading and banks in Kuala Lumpur are open for business. Note: We may declare certain Business Days a non-Business Day when deemed necessary, such as in the event of market disruption. |
| CIMB Group | - CIMB Group Sdn. Bhd. |
| CMSA | - Capital Markets and Services Act 2007. |
| CIS | - Collective investment schemes. |
| Deed | - The Principal and all Supplemental Deed in respect of the Fund made between us and the Trustee, in which the Unit holders agree to be bound by the provisions of the Deed. |
| Eligible Market | - A market which is regulated by a regulatory, operates regularly, is open to the public and has adequate liquidity for the purposes of the Fund. |
| FTSE | - Financial Times Stock Exchange. |
| Fund or WEF | - Principal Wholesale Equity Fund (formerly known as CIMB-Principal Wholesale Equity Fund). |
| GDP | - Gross Domestic Product |
| IMS | - Investment Management Standards issued by the Federation of Investment Managers Malaysia. |
| Information Memorandum | - Refers to the Information Memorandum in respect of the Fund and includes any supplemental information memorandum or replacement information memorandum, as the case may be. |
| LPD | - Latest Practicable Date i.e. 31 October 2019, in which all information provided herein shall remain current and relevant as at such a date. |
| Management Fee | - A percentage of the NAV of the Fund that is paid to us for managing the portfolio of the Fund. |
| NAV | - Net Asset Value. |
| NAV of the Fund | - The NAV of the Fund is the value of all fund's assets less the value of all the fund's liabilities, at the point of valuation. For the purpose of computing the annual Management Fee (if any) and annual Trustee Fee (if any), the NAV of the Fund should be inclusive of the Management Fee and Trustee Fee for the relevant day. |
| NAV per unit | - The NAV of the Fund divided by the number of units in circulation, at the valuation point. |
| PFG | - Principal Financial Group and its affiliates. |
| PIA | - Principal International (Asia) Ltd. |
| Principal Malaysia or the Manager | - Principal Asset Management Berhad (formerly known as CIMB-Principal Asset Management Berhad). |
| RM and MYR | - Malaysian Ringgit. |
| SC | - Securities Commission Malaysia. |
| SC Guidelines | - SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework. |
| Sophisticated Investor(s) | - Refers to investors as we determine as qualified or eligible to invest in the Fund and that fulfil any laws, rules, regulation, restrictions or requirements imposed by the respective country's regulators where the Fund is open for sale. For investors in Malaysia, this refers to any person who falls within any of the categories of investors set out in Part 1, Schedules 6 and 7 of the CMSA. Note: For more information, please refer to our website at http://www.principal.com.my for the current excerpts of Part 1, Schedules 6 and 7 of the CMSA. |
| Special Resolutions | - A resolution passed by a majority of not less than $\frac{3}{4}$ of Unit holders voting at a meeting of Unit holders. |
| Switching Fee | - A charge that may be levied when switching is done from one (1) fund to another. |
| Transfer Fee | - A nominal fee levied for each transfer of units from one (1) Unit holder to another. |
| Trustee | - PB Trustee Services Berhad. |
| Trustee Fee | - A fee that is paid to the Trustee for its services rendered as trustee of the Fund. |
| Unit holder | - The registered holder for the time being of a unit of the Fund including persons jointly so registered. |
| US or USA | - United States of America. |
| Wholesale Fund | - A unit trust fund, the units of which are issued, offered for subscription or purchase, or for which invitations to subscribe for or purchase the units have been made, exclusively to Sophisticated Investors. |
| Withdrawal Fee | - A charge levied upon redemption under certain terms and conditions (if applicable). |

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

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1. FUND INFORMATION

1.1. PRINCIPAL WHOLESALE EQUITY FUND

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|-----------------------------|--|
| Fund Category/Type | : Wholesale Fund / Growth. |
| Investment Objective | : To provide investors with long term capital growth through investment primarily in the Malaysian equity market with some diversification to the Asia ex Japan equity markets. <i>We will require your approval if there is any material change to the Fund's investment objective.</i> |
| Benchmark | : The benchmark of the Fund is the FTSE Bursa Malaysia Top 100 Index. Note: <i>The Fund's benchmark is for performance comparison purpose only. Information on the FTSE Bursa Malaysia Top 100 Index can be obtained from http://www.bursamalaysia.com.</i> |
| Distribution Policy | : Given its investment objective, the Fund is not expected to make any distributions. |
| Launch Date | : 2 October 2007 |

Investment policy and principal investment strategy

The Fund invests primarily in equities of companies listed on Bursa Malaysia with some diversification to the Asia ex Japan region. The Fund may invest up to 50% of its NAV in companies listed in the stock exchanges of Asia ex Japan region, which includes Hong Kong SAR, Taiwan, Korea, China, Indonesia, India, Thailand, Philippines, Sri Lanka and Singapore. The Fund may invest in shares, warrants, options, convertible loan stocks, exchangeable bonds or other stock purchase rights, participate in unit trust funds and other interests in CIS which are permitted under the SC Guidelines. Liquid assets may also be strategically used if we perceive that the market downside risk is high in the short-term.

The asset allocation strategy for this Fund is as follows:

- up to 98% of the Fund's NAV may be invested in companies listed on Bursa Malaysia;
- up to 50% of the Fund's NAV may be invested in companies listed in the stock exchanges of Asia ex Japan region, which includes Hong Kong SAR, Taiwan, Korea, China, Indonesia, India, Thailand, Philippines, Sri Lanka and Singapore;
- up to 50% in all types of CIS including exchange-traded funds (both local and foreign); and
- at least 2% of the Fund's NAV will be invested in liquid assets for liquidity purposes.

The asset allocation will be reviewed periodically depending on the country's economic and stock market outlook. We combine a top-down asset and sector allocation process with a bottom-up stock selection process. The asset allocation decision is made after a review of macroeconomic trends in Malaysia and other global economies. In particular, we analyze the direction of GDP growth, interest rates, inflation, currencies and government policies. We will then assess their impact on corporate earnings and determine if there are any predictable trends. These trends form the basis for sector selection. Stock selection is based on the growth style of equity investing.

Our fundamental and valuation analysis (bottom-up) forms an integral part of our research effort. Key elements of this include:

- **Fundamental evaluation**
This includes the evaluation of company management, products and services, competitive positioning, operating outlook, earnings prospects, risk factors and corporate governance standards.
- **Valuation analysis**
This includes some form of discounted cash flow valuation approach, comparative multiples (P/E, P/BV, P/CF, and Dividend Yield), and a wide range of profitability measures (Operating Margin, ROE, ROIC vs. Cost of Capital).
- **Financial models**
This includes both earnings models as well as valuation models. As part of our discipline, we intend to focus the bulk of our efforts on the development of models to accurately value the businesses that we invest in. As part of this, an assessment of capital structure and the cost of capital, along with an estimate of earnings and cash flows, are required.

In addition, company visits, meetings with management and participation in conference calls are important to our research effort. In the stock screening process, we actively screen reasonable number of equity securities from a larger universe.

The top-down assessment of the markets and asset allocation involves a detailed quarterly review of market conditions and risk adjusted expectations across asset classes and regions in order to establish internal targeted allocations for the various portfolios. We may invest the assets of the Fund, from time to time, in any industry or sector, which in its opinion offers good growth opportunity and investment value provided that the investments are within the investment objective of the Fund.

Risk management strategy and temporary defensive measure

Risk management is at the core of our investment process. Every proposed decision made by the investment team is considered in the context of the overall portfolio risk-return trade-off. As part of its risk management strategy, the Fund is constructed and managed within pre-determined guidelines. Due to the nature of the Fund, we manage the diversifiable risk of the portfolio by holding a well-diversified portfolio. We employ an active asset allocation strategy depending upon the equity market expectations. Where appropriate, we will also employ an active trading strategy in managing the Fund.

As this is an equity fund, it has a proportionally higher equity exposure. Thus, we are unable to take equity exposure down substantially even if it feels that the market is close to its peak. We will therefore take a defensive stance and invest in stocks that have low correlation to market movements. Notwithstanding the aforesaid, in times of adversity in equity markets and as part of its risk management strategy, we may from time to time reduce its proportion of higher risk assets, such as equities and increase its asset allocation to lower risk assets, such as debentures and liquid assets, to safeguard the investment portfolio of the Fund provided that such investments are within the investment objective of the Fund. When deemed necessary, we may also utilize derivative instruments, subject to the SC Guidelines, for purposes such as hedging.

1.2. PERMITTED INVESTMENTS

Subject to the Deed, the investment policy for the Fund and the requirements of the SC and any other regulatory body, We have absolute discretion as to how the assets of the Fund are invested. Under the Deed, the Fund can invest in a wide range of securities, including, but not limited to the following:

- Equities and debentures 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 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 issuers;
- Deposits and money market instruments;
- Derivative instruments, including but not limited to options, futures contracts, forward contracts and swaps;
- All types of CIS;
- Structured products; and
- Any other form of investments as may be permitted by the SC from time to time that are in line with the Fund's objectives.

The formulation of the investment policies and strategies of the Fund are based on the objectives of the Fund after taking into consideration the regulatory requirements outlined in the SC Guidelines, with such variations as approved by the SC.

1.3. INVESTMENT RESTRICTIONS AND LIMITS

Exposure Limit

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

Investment Spread Limits

- The value of the Fund's investments in ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV;
- The value of the Fund's investments in transferable securities and money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV;
- The value of the Fund's placement in deposits with any single institution must not exceed 20% of the Fund's NAV;
- The Fund's exposure from derivatives positions should not exceed the Fund's NAV. Further,
 - The value of the Fund's over-the-counter (OTC) derivative transaction with any single counter-party must not exceed 10% of the Fund's NAV;
- The value of the Fund's investments 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, over-the-counter (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; and
- The value of the Fund's investments in units/shares of any CIS must not exceed 50% of the Fund's NAV.

Investment concentration Limits

- The Fund's investments in transferable securities (other than debentures) must not exceed 10% of the securities issued by any single issuer;
- The Fund's investments in debentures must not exceed 20% of the debentures issued by any single issuer;
- The Fund's investments in money market instruments must not exceed 10% of the instruments issued by any single issuer; and
- The Fund's investments in CIS must not exceed 25% of the units/shares in any one CIS.

In respect of any restrictions and limits stipulated above, there is an allowance of 5% from the restrictions and limits due to appreciation or depreciation of the NAV of the Fund (whether as a result of an appreciation or depreciation in value of the Fund's investments or as a result of repurchase of units or payment made out of the Fund). If the Fund is not within the above restrictions and limits, we 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).

1.4. APPROVALS AND CONDITIONS

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

1.5. FINANCING

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

1.6. SECURITIES LENDING

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

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

1.7. RISK FACTORS

1.7.1. GENERAL RISKS OF INVESTING IN A COLLECTIVE INVESTMENT SCHEME

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 Information Memorandum.

Returns not guaranteed

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

Market risk

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

Manager risk

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

Financing risk

This risk occurs when you obtain financing to finance your investment. The inherent risk of investing with money obtained from financing includes you being unable to service the financing payments. In the event units are used as collateral, you may be required to top-up your existing instalment if the prices of units fall below a certain level due to market conditions. Failing which, the units may be sold at a lower NAV per unit as compared to the NAV per unit at the point of purchase towards settling the financing.

1.7.2. SPECIFIC RISK RELATED TO THE FUND

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

Stock specific risk

Any irregular fluctuation of the value of a particular stock may affect the unit price. The impact is however minimized as the Fund invests in a wide portfolio of investments, thus spreading the element of risk.

Company specific risk

There are many specific risks which apply to individual companies that may affect the growth of the Fund. Examples include the possible effect on a company of losing a key executive or the unforeseen entry of a new competitor into the market or the implications of a company's credit rating being downgraded. As a consequence, the price of the investment in that company such as its bonds issuances or shares may fall, and subsequently may also affect the growth of the overall Fund. We aim to reduce all these risks by using diversification that is expected to reduce the volatility as well as the risk to the Fund's portfolio. In addition, we will also perform continuous fundamental research and analysis to aid its active asset allocation management.

Country risk

When the Fund invests into foreign markets, the foreign investments portion of the Fund may be affected by risks specific to the country which it invests in. Such risks include changes in the country's economic fundamentals, social and political stability, currency movements and foreign investments policies. These factors may have impact on the prices of the Fund's investment in that country and consequently may also affect the fund's NAV and its growth. To mitigate these risks, we will select securities and CIS that spread across countries within its portfolio in an attempt to avoid such events. Decision on diversification will be based on its constant fundamental research and analysis on the global markets.

Currency risk

This risk is associated with investments that are quoted and/or priced in foreign currency denomination. Malaysian based investors should be aware that if the Ringgit Malaysia 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. Investors should note that any gains or losses arising from the movement of the foreign currencies against its home currency may therefore increase/decrease the capital gains of the investment. Nevertheless, investors should realise that currency risk is consider as one of the major risk to investments in foreign assets due to the volatile nature of the foreign exchange market. We could utilise two pronged approaches 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.

Liquidity risk

You should be aware that although all funds are exposed to liquidity risk, the exposure of liquidity risk for this Fund should be of more concern as the Fund invests into emerging markets. Generally, securities markets outside of those of developed countries, while growing in volume, have for the most part substantially less volume than those of developed countries. Also, many securities traded on these foreign markets are less liquid and their prices more volatile than securities of comparable markets in developed countries. In addition, settlement of trades in some emerging markets is much slower and more subject to failure than in developed country markets. There may also be less extensive regulation of the securities markets in emerging markets than in developed countries. As part of its risk management, we will attempt to reduce the liquidity exposure by an active asset allocation management and diversification within the portfolio. We will also conduct constant fundamental research and analysis to ensure the feasibility of its investment.

Risk of assets in emerging markets

Investing in assets from the emerging markets generally entails a greater risk (potentially including considerable legal, economic and political risks) than investing in assets from the markets of industrialized countries. Emerging markets are markets that are, by definition, "in a state of transition" and are therefore exposed to rapid political change and economic declines. During the past few years, there have been significant political, economic and societal changes in many emerging-market countries. In many cases, political considerations have led to substantial economic and societal tensions, and in some cases these countries have experienced both political and economic instability. Political or economic instability can influence investor confidence, which in turn can have a negative effect on exchange rates, security prices or other assets in emerging markets. The exchange rates and the prices of securities and other assets in the emerging markets are often extremely volatile. Among other things, changes to these prices are caused by interest rates, changes to the balance of demand and supply, external forces affecting the market (especially in connection with important trading partners), trade-related, tax-related or monetary policies, governmental policies as well as international political and economic events. In most cases, the securities markets in the emerging markets are still in their primary stage of development. This may result in risks and practices (such as increased volatility) that usually do not occur in developed securities markets and which may have a negative influence on the securities listed on the stock exchanges of these countries. Moreover, the markets in emerging-market countries are frequently characterized by illiquidity in the form of low turnover of some of the listed securities.

In comparison to other types of investment that carry a smaller risk, it is important to note that exchange rates, securities and other assets from emerging markets are more likely to be sold as a result of the "flight into quality" effect in times of economic stagnation. As such, you should bear in mind that investments in emerging markets are subject to higher price volatility and therefore will tend to have a higher investment risk that will affect the Fund's growth. We will attempt to mitigate all these risk through its active asset allocation management and diversification, in addition to its continuous fundamental research and analysis.

Risks associated with investment in warrants/options

As the Fund may invest in warrants/options, you should note that there are inherent risks associated with it. Warrants/options are financial instruments that entitle the holder to the right but not the obligation to fulfil the requirements of a contract entered into within an agreed timeframe. Warrants/options have values that will change over time, but the change in the value of warrants/options need not be in the same manner as its underlying assets. The value of warrants/options are influenced by the current market price of the underlying security, the exercise price of the contract, the cost of holding a position in the underlying security, 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. The buyer/holder of warrants/options will incur a cost (the premium) to purchase the warrants/options although the buyer/holder may not exercise the right prior to expiration. Like securities, we will undertake fundamental research and analysis on these instruments to ensure that the risk to the portfolio is minimised.

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

2. FEES, CHARGES AND EXPENSES

2.1. CHARGES

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

2.1.1. Application Fee

Up to 3% of the NAV per unit.

2.1.2. Withdrawal Fee

Nil.

2.1.3. Switching Fee

Nil.

2.1.4. Transfer Fee

A Transfer Fee of not more than RM50.00 may be charged for each transfer. However, we have the discretion to waive the Transfer Fee.

2.2. FEES AND EXPENSES

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

2.2.1. Management Fee

The Management Fee for the Fund is up to 1.80% per annum of the Fund's NAV. The Management Fee shall be accrued daily and be paid monthly.

Below is the illustration on how the Management Fee is calculated

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

If the NAV of the Fund is RM150 million, then

*Management Fee for the day = RM150 million x 1.80% / 365 days
= RM7,397.26*

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

2.2.2. Trustee Fee

The Trustee is entitled to a fee of 0.08% per annum (including local custodian fee but excluding foreign sub-custodian fee) of the Fund's NAV, subject to a minimum of RM18,000 per annum. The Trustee Fee shall be accrued daily and be paid monthly.

Below is the illustration on how the Trustee Fee is calculated

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

If the NAV of the Fund is RM150 million, then

*Trustee Fee for the day = RM150 million x 0.08% / 365 days
= RM328.77*

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

2.2.3. Other Expenses

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

- expenses incurred in the sale, purchase, insurance, custody and any other dealings of investments including commissions/fees paid to brokers and costs involved with external specialists approved by the Trustee in investigating and evaluating any proposed investment;
- expenses incurred in printing and stationery for the annual and interim reports;
- investment committee fee for independent members;
- costs associated with the custody of investments delegated by the Trustee;
- tax and other duties imposed by the government and other authorities, and bank fees;
- fees and other expenses incurred by the auditor and tax agent;

- valuation fees paid to independent valuers for the benefit of the Fund;
- costs incurred in modifying the Deed for the benefit of Unit holders; and
- cost of convening and holding meetings of Unit holders other than those convened by or for the benefit of ours or the Trustee.

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

2.2.4. We and the Trustee are required to ensure that any fees or charges payable are reasonable and in accordance with the Deed which stipulates the maximum rate in percentage terms that can be charged.

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

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

2.3. REBATES AND SOFT COMMISSIONS

We and the Trustee will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investments of the Fund unless the soft commission received is retained in the form of goods and services such as research and advisory services that assist in the decision making process relating to the Fund's investments. All dealings with brokers are executed on most favourable terms available for the Fund. Any rebates will be directed to the account of the Fund.

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

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

We have the discretion to amend the amount, rate and/or terms and conditions for the above-mentioned fees, charges and expenses from time to time, subject to the requirements stipulated in the Deed. Where necessary, we will notify the Trustee and communicate to you on the amendments to the fees and charges.

3. TRANSACTION INFORMATION

3.1. VALUATION OF INVESTMENTS PERMITTED BY THE FUND

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

- **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 should be valued at fair price as determined in good faith by the Manager, based on the methods or bases approved by the Trustee after appropriate technical consultation, such as the mean of bid and offer prices at the close of trading. Suspended securities will be valued at their last done price unless there is conclusive evidence to show that the value has gone below the suspended price or where the quotation of the securities has been suspended for a period exceeding fourteen (14) days or such shorter period as determined by the Trustee, whereupon their fair value will be determined in good faith by the Manager based on the methods or bases approved by the Trustee after appropriate technical consultation.

- **Unlisted securities**

The valuation of 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 Fund by the issuer shall be valued at the issue price of such equities. The value will be determined by the financial institution that issued the instrument.

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 the Manager is of the view that the price quoted by the BPA for a specific debt security differs from the market price by more than 20 basis points, the Manager may use the market price by reference to the last available quote provided such quote was obtained within the previous thirty (30) days and the Manager records its basis for using a non-BPA price, obtained necessary internal approvals to use the non-BPA price and keeps an audit trail of all decisions and basis for adopting the market yield.

The value of any unlisted non RM-denominated debt instruments shall be calculated daily using prices quoted by ICE Data Services using its proprietary methodology. The debt instruments prices are calculated using prices contributed by financial institutions and other market inputs listed in approximate order of priority, include: benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data (e.g. corporate action announcements and ratings). Where the prices from ICE Data Services are not available on any Business Day, these debt instruments will be valued by reference to the average indicative yield quoted by three (3) independent and reputable financial institutions. However, where quotations are still not available, such unlisted non RM-denominated debt securities will be valued at least weekly 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.

- **Collective Investment Scheme**

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

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

If the value of the Fund's assets is denominated in a currency other than MYR, 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.

3.2. UNIT PRICING

We adopt the single pricing method for any transactions (i.e. applications, switches, transfers and/or withdrawals) 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. The Application Fee/Withdrawal Fee (if any) would be computed and charged separately based on your net application/withdrawal amount.

We will carry out the valuation for the Fund for a Business day at 11:00 am on the following Business Day (T+1). The rationale for this is that at the close of Malaysian markets, the foreign markets in which the Fund invests in are still open for trading. As such any price adopted for these foreign securities may not be final for the relevant Business Day. To value the investments more accurately, it would be better to extract the closing prices of the foreign securities, hence the valuation of the Fund is best

performed on the following Business Day. The NAV per unit for a Business Day is available on our website at <http://www.principal.com.my> after 1:30pm on the following Business Day (T+1).

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

The Fund must be valued at least once every Business Day.

The method of determining NAV per unit is calculated as follows:

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

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 Unit holders, 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.

3.3. INCORRECT PRICING

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

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

Notwithstanding the foregoing, unless the Trustee otherwise directs, we shall make the reimbursement only where an incorrect pricing:

- i) is equal to or more than 0.50% of the NAV per unit; and
- ii) results in a sum total of RM 10.00 or more to be reimbursed to a Unit holder for each sale or withdrawal transaction.

Subject to any regulatory requirements, we shall have the right to amend, vary or revise the aforesaid limits or threshold from time to time and disclose such amendment, variation or revision in the Information Memorandum.

3.4. INVESTING

3.4.1. Who can invest?

The Fund shall only be offered or marketed to the Sophisticated Investors that is corporate client such as company, corporation or co-operative. However, we have the right to reject an application on reasonable grounds.

Further, if we become aware of any US entity (i.e. a corporation, trust, partnership or other entity created or organised in or under the laws of the United States or any state thereof or any estate or trust the income of which is subject to United States Federal Income Tax regardless of source) holding units in the Fund, a notice may be issued to that Unit holder requiring the Unit holder to, within thirty (30) days, either withdraw the units or transfer the units to a non-US entity.

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

3.4.2. How to invest?

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

You may invest:

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

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

3.5. MINIMUM INVESTMENTS

The minimum initial investment in the Fund is: RM1,000,000 or such other amount as we may decide from time to time.

The minimum additional investment in the Fund is RM100,000 or such other amount as we may decide from time to time.

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 Sophisticated Investors) or specifically (for any particular Sophisticated Investor, a group of Sophisticated Investors or investments made via any digital platform) without prior notice to you.

3.5.1. Processing an application

If we receive a valid application by 4.00 pm on a Business Day, we will process it using the unit pricing for that Business Day. If we receive the application after 4.00 pm on a Business Day, we will process it using the NAV per unit for the next Business Day. We will only process the completed application with all the necessary information. The number of units you receive will be rounded down to the two (2) decimal places.

3.6. MINIMUM WITHDRAWALS

The minimum withdrawal for the Fund is RM100,000 or such other amount as we may decide from time to time, unless you are withdrawing your entire investment. Withdrawals can be made from the Fund by either completing a withdrawal form or sending a letter to our head office. There is no restriction on the frequency of withdrawals.

Note: You may request for a lower amount 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 amount and without having to assign any reason, either generally (for all Sophisticated Investors) or specifically (for any particular Sophisticated Investor, a group of Sophisticated Investors or investments made via any digital platform) without prior notice to you. For increase in the amount for minimum withdrawal, we will require concurrence from the Trustee and you will be notified of such changes before implementation.

3.6.1. Processing a withdrawal

If we receive a valid withdrawal request by 4:00 pm on a Business Day, we will process it using the NAV per unit for that Business Day, which will only be known on the following Business Day. If we receive the withdrawal request after 4:00 pm on a Business Day, we will process it using the NAV per unit for the next Business Day. The amount that you will receive is calculated by the withdrawal value less the withdrawal fee, if any. You will be paid in RM within fourteen (14) Business Days. You will have to bear the applicable bank fees and charges, if any.

In the event some of the underlying investments of the Underlying Fund are not actively traded, potential investors are warned that under such circumstances, they may face difficulties in withdrawing/redeeming their investments.

3.7. MINIMUM BALANCE

The minimum balance that must be retained in the Fund is RM100,000 or such other amount as we may decide from time to time. If the number of units of an investment drops below RM100,000 due to a withdrawal, distribution or fall in the unit price, further investment will be required until the balance of the investment is restored to at least the stipulated minimum balance. Otherwise, we can withdraw the entire investment and forward the proceeds to you.

Note: We may, for any reason at any time, where applicable, reduce the minimum balance, either generally (for all Sophisticated Investors) or specifically (for any particular Sophisticated Investor, a group of Sophisticated Investors or investments made via any digital platform) without prior notice to you. For increase in the number units for minimum balance, we will require concurrence from the Trustee and you will be notified of such changes before implementation.

3.8. SWITCHING

You have the option to switch into any of Principal Malaysia's funds that allow switching of units. The switching is based on the value of your investments in the Fund, at the point of exercising the switch.

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

- For switching out of the Fund:
 - the minimum withdrawal amount applicable to the Fund;
 - the minimum balance required (after the switch) for the Fund, unless you are withdrawing from the Fund in entirety; and
 - the Withdrawal Fee of the Fund (if any).
- For switching into the Fund:
 - the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Fund; and
 - the Switching Fee applicable for the proposed switch (if any).

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

3.9. TRANSFER FACILITY

You are allowed to transfer your holdings to other Sophisticated Investor, subject to such terms and conditions as may be stipulated in the respective Deed and by us from time to time. We may refuse to register any transfer of a unit at our absolute discretion.

3.10. COOLING-OFF PERIOD

Not applicable for corporations/institutions.

3.11. TEMPORARY SUSPENSION

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

3.12. DISTRIBUTION OF THE FUND

Given its investment objective, the Fund is not expected to make any distributions. All income earned by the Unit holders is proportionately reinvested within the Fund. Distribution, if any, will be incidental and will vary from period to period depending on interest rates, market conditions and the performance of the Fund.

3.13. UNCLAIMED MONIES

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

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

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

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

4. ADDITIONAL INFORMATION

4.1. FINANCIAL YEAR-END

31 May.

4.2. INFORMATION ON YOUR INVESTMENT

We will send you the following:

- monthly statement of your account showing details of transactions and distributions (if any); and
- quarterly report and annual report showing snapshots of the Fund and details of the portfolio for the respective period reported. Both the quarterly report and the audited annual report will be sent to you within two (2) months of the end of the period reported.

The Fund's annual report is available upon request.

4.3. TERMINATION OF FUND

The Fund may be terminated as proposed by us with the consent of the Trustee (which consent shall not be unreasonably withheld) by giving not less than three (3) months' notice in writing to the Unit holders as hereinafter provided:

- if any law shall be passed which renders it illegal or in our opinion that it is impracticable or inadvisable to continue the Fund; or
- if in our reasonable opinion that it is impracticable or inadvisable to continue the Fund.

The Fund shall be terminated by us if a Special Resolution is passed at a Unit holders' meeting to terminate or wind-up the Fund.

4.4. RIGHTS, LIABILITIES AND LIMITATIONS OF UNIT HOLDERS

Rights of Unit holders

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

- inspect the register, free of charge, at any time at our registered office, and obtain such information pertaining to its units as permitted under the Deed and SC Guidelines;
- receive the distribution of the Fund (if any), participate in any increase in the capital value of the units and to other rights and privileges as set out in the Fund's Deed;
- call for Unit holders' meetings under the following circumstances;
 - (i) to consider the most recent financial statements of the Fund;
 - (ii) to require the retirement or removal of the Manager or Trustee;
 - (iii) to give to the trustee such directions as the meeting thinks proper; or
 - (iv) to consider any other matter in relation to the Deed.

subject always that the direction to call for such meeting is made by not less than fifty (50) Unit holders or one-tenth (1/10) of all Unit holders and the direction is given to the Manager in writing at its registered office

- vote for the removal of the Trustee or the Manager through an Special Resolution; and
- receive annual reports or any other reports of the Fund.

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

Liabilities of Unit holders

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

Limitations of Unit holders

You cannot:

- (i) interfere with any of our rights or powers and/or the rights or powers of the Trustee under the Deed;

- (ii) exercise a right in respect of an asset of the Fund or lodge a caveat or other notice affecting the asset of the Fund or otherwise claim any interest in the asset of the Fund; or
- (iii) require the asset of the Fund to be transferred to the Unit holder.

Note: You may refer to the Deed for full details of your rights.

4.5. DOCUMENTS AVAILABLE FOR INSPECTION

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

- The Deed of the Fund;
- Information Memorandum and supplementary or replacement information memorandum, if any;
- Material contracts or documents disclosed in this Information Memorandum;
- The latest annual reports of the Fund, which includes the audited financial statements of the Fund (where available) for the current financial year and for the last three (3) financial years or if less than three (3) years, from the date of launch of the Fund; and
- The audited accounts of the Manager 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.

4.6. POTENTIAL CONFLICTS OF INTERESTS AND RELATED-PARTY TRANSACTIONS

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

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

As at LPD, none of our directors and substantial shareholders has either direct or indirect interest in other corporations that carry on a similar business with Principal Malaysia, 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 <i>(formerly known as CIMB-Principal Islamic Asset Management Sdn Bhd)</i> |
| | | Indirect | CIMB-Mapletree Management Sdn Bhd* |

*Note: As at LPD date, CIMB-Mapletree Management Sdn. Bhd. has passed a special resolution on 9 May 2019 of which CIMB-Mapletree Management Sdn. Bhd. be wound up as a members' voluntary liquidation and a liquidator be appointed.

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

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

The Trustee

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

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

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

Subject to any local regulations, the Trustee and/or their related group of companies may deal with each other, the Fund or any Unit holder or enter into any contract or transaction with each other, the Fund or any form of such contract or transaction or act in the same or similar capacity in relation to any other scheme.

4.7. INTERESTS IN THE FUND

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

4.8. EMPLOYEES' SECURITIES DEALINGS

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

5. THE MANAGER

5.1. ABOUT PRINCIPAL ASSET MANAGEMENT BERHAD

Principal Malaysia holds a Capital Markets Services License for fund management and dealing in securities restricted to unit trust under the CMSA and specialises in managing and operating unit trusts for investors, both institutional and retail. Principal Malaysia's responsibilities include managing investment portfolios by providing fund management services to insurance companies, pension funds, unit trust companies, corporations and government institutions in Malaysia. In addition, Principal Malaysia is an approved private retirement scheme provider in Malaysia. It originally commenced its operations as a unit trust company in November 1995. As at LPD, Principal Malaysia has more than 23 years of experience in the unit trust industry. The shareholders of the company are PIA and CIMB Group.

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

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

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

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

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

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

6. THE TRUSTEE

6.1. ABOUT PB TRUSTEE SERVICES BERHAD

PB Trustee Services Berhad was incorporated on 24 August 1968 and commenced its operations on 22 January 1969, with its registered and business office at 17th Floor, Menara Public Bank, 146 Jalan Ampang, 50450 Kuala Lumpur. The Trustee has an authorized share capital of RM1,050,000 and a paid-up share capital of RM525,000.

The Trustee's experience in trustee business has expanded over the past 40 years since its incorporation in 1968. It currently manages various types of funds in its capacity as trustee. These include corporate bonds, writing of wills, management of estates, trusteeship for golf clubs, recreational clubs and time sharing schemes. The Trustee is also acting as a custodian in its capacity.

The Trustee's main functions are to act as trustee and custodian of the assets of the Fund and to safeguard the interests of the Unit holders of the Fund. They shall:

- act in accordance with the provisions of the Deed, the CMSA and the SC Guidelines ;
- take into its custody the investments of the Fund and hold the investments in trust for the Unit holders;
- ensure that the Manager operates and administers the Fund in accordance with the provisions of the Deed, the CMSA, the SC Guidelines and acceptable business practice within the unit trust industry;
- ensure that it is fully informed of the investment policies of the Fund and of any changes made thereto, and if it is of the opinion that the policies are not in the interests of the Unit holders, it shall instruct the Manager to take appropriate action as the Trustee deems fit and/or summons a Unit holders' meeting for the purpose of giving such instructions to the Manager as the meeting thinks proper;
- as soon as practicable notify the SC of any irregularity or an actual or anticipated material breach of the provisions of the Deed, the SC Guidelines and any other matters which in the Trustee's opinion may indicate that the interests of Unit holders are not being served;
- exercise due care, skill, diligence and vigilance in carrying out its functions and duties, in actively monitoring the administration of the Fund by the Manager and in safeguarding the interests of Unit holders;
- maintain, or cause the Manager to maintain, proper accounting and other records in relation to those rights and interests, and of all transactions effected by the Manager on account of the Fund; and
- cause those accounts to be audited at least annually by an approved company auditor appointed by the Trustee and send or cause those accounts to be sent to Unit holders within two (2) months of the relevant accounting period.

6.1.1. Trustee's Disclosure of Material Litigation

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

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

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

Enquiries:

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

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

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