

Date of Issuance: 19 December 2019

# Product Highlights Sheet

## Principal Wholesale Equity Fund

(formerly known as CIMB-Principal Wholesale Equity Fund)

### Responsibility Statement

This Product Highlights Sheet has been reviewed by the directors or authorised committee or persons approved by the directors of Principal Asset Management Berhad. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omissions of other facts which would make any statement in the Product Highlights Sheet false or misleading.

### Statement of Disclaimer

The Securities Commission Malaysia has authorised/recognised the issuance of Principal Wholesale Equity Fund and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

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

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

### The Manager

Principal Asset Management Berhad (*“formerly known as CIMB-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 Capital Markets Services Act 2007 and specializes 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. Principal Malaysia originally commenced its operations as a unit trust company in November 1995.

**This Product Highlights Sheet only highlights the key features and risks of this unlisted capital market product. We recommend that you read this Product Highlights Sheet together with the Replacement Information Memorandum for Principal Wholesale Equity Fund dated 19 December 2019 and its supplementary (if any). You are advised to request, read and understand the Information Memorandum before deciding to invest.**

## Brief Information on Principal Wholesale Equity Fund

Principal Wholesale Equity Fund is a wholesale equity fund issued by Principal Malaysia and is offered only to Sophisticated Investors. The Fund aims 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.

This is neither a capital protected nor capital guaranteed fund.

### Product Suitability

This Fund best suits you if you:

- have a medium to long term investment horizon, i.e. 5 years or more;
- want access to Malaysia and Asian equity markets;
- seek maximum capital appreciation over the long term and do not require regular income from their investment;
- are comfortable with a higher than average degree of volatility; and/or
- are willing to take higher risks in anticipation of potentially higher returns.

### Key Product Features

<b>Fund Category/Type</b>	Wholesale Fund / Growth.
<b>Benchmark</b>	FTSE Bursa Malaysia Top 100 Index. <b>Note:</b> The Fund's benchmark is for performance comparison purpose only. Information on the FTSE Bursa Malaysia Top 100 Index can be obtained from <a href="http://www.bursamalaysia.com">http://www.bursamalaysia.com</a> .
<b>Investment policy and principal investment strategy</b>	<p>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.</p> <p>The asset allocation strategy for this Fund is as follows:</p> <ul style="list-style-type: none"><li>▪ up to 98% of the Fund's NAV may be invested in companies listed on Bursa Malaysia;</li><li>▪ 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;</li><li>▪ up to 50% in all types of CIS exchange traded funds (both local and foreign); and</li><li>▪ at least 2% of the Fund's NAV will be invested in liquid assets for liquidity purposes.</li></ul>
<b>Launch date</b>	2 October 2007.
<b>Financial year-end</b>	31 May.
<b>Distribution policy</b>	Given its investment objective, the Fund is not expected to make any distributions.
<b>Manager</b>	Principal Asset Management Berhad ( <i>formerly known as CIMB-Principal Asset Management Berhad</i> )
<b>Trustee</b>	PB Trustee Services Berhad.
<b>Solicitors</b>	Soon Gan Dion & Partners

### Key Risks

General risks of investing in a unit trust fund	
<b>Returns not guaranteed</b>	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.
<b>Market risk</b>	Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the fund's NAV.
<b>Manager risk</b>	This risk refers to the day-to-day management of the fund by the manager which will impact the performance of the fund. For example, 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.

<b>Financing risk</b>	This risk occurs when you obtain financing to finance your investment. The inherent risk of investing with money obtained from financing includes you being unable to service the financing payments. In the event units are used as collateral, you may be required to top-up your existing instalment if the price of units fall below a certain level due to market conditions. Failing which, the units may be sold at a lower NAV per unit as compared to the NAV per unit at the point of purchase towards settling the financing.
<b>Specific risks of the Fund</b>	
<b>Stock specific risk</b>	Any irregular fluctuation of the value of a particular stock may affect the unit price. The impact is however minimised as the Fund invests in a wide portfolio of investments, thus spreading the element of risk.
<b>Company specific risk</b>	There are many specific risks which apply to individual companies that may affect the growth of the Fund. For example, the possible effect on a company of losing a key executive. The Manager aims 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.
<b>Country risk</b>	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, which in turn affects the Fund's NAV and its growth. Such risks include changes in the country's economic fundamentals, social and political stability, currency movements and foreign investments policies. To mitigate these risks, the Manager will select securities and Collective Investment Schemes that spread across countries within its portfolio in an attempt to avoid such events.
<b>Currency risk</b>	This risk is associated with investments that are quoted and/or priced in foreign currency denomination. 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. The Manager 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.
<b>Liquidity risk</b>	Investors 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. As part of its risk management, the Manager will attempt to reduce the liquidity exposure by an active asset allocation management and diversification within the portfolio. The Manager will also conduct constant fundamental research and analysis to ensure the feasibility of its investment.
<b>Risk of assets in emerging markets</b>	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. These instabilities can influence investor confidence, which in turn can have a negative effect on exchange rates, security prices or other assets in emerging markets. The Manager will attempt to mitigate all these risk through its active asset allocation management and diversification, in addition to its continuous fundamental research and analysis.
<b>Risks associated with investment in warrants/options</b>	As the Fund may invest in warrants/options, investors should note that there are inherent risks associated with it. The Manager will undertake fundamental research and analysis on these instruments to ensure that the risk to the portfolio is minimised.

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

#### Fees & Charges

<b>Application Fee</b>	Up to 3% of the NAV per unit.
<b>Withdrawal Fee</b>	Nil
<b>Switching Fee</b>	Nil.
<b>Transfer Fee</b>	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.
<b>Management Fee</b>	Up to 1.80% per annum of the NAV of the Fund.
<b>Trustee Fee</b>	0.08% per annum (including local custodian fee but excluding foreign sub-custodian fee) of the NAV of the Fund, subject to a minimum of RM18,000 per annum.
<b>Expenses directly related to Fund</b>	Only expenses that are directly related to the Fund can be charged to the Fund. Examples of relevant expenses are audit fee and tax agent's fee.
<b>Other charges payable indirectly by you when investing in the Fund</b>	Any applicable bank charges and other bank fees incurred as a result of an investment or redemption will be borne by the investor.

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

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

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

#### Transaction Information

<b>Minimum initial investment</b>	RM1 million or such other amount as we may from time to time decide.
<b>Minimum additional investment</b>	RM100,000 or such other amount as we may from time to time decide.
<b>Minimum withdrawal</b>	RM100,000 or such other amount as we may from time to time decide.
<b>Minimum balance</b>	RM100,000 or such other amount as we may from time to time decide.
<b>Switching</b>	<p>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.</p> <p>Switching will be conducted based on the value of your investment in the Fund. The minimum amount for a switch is subject to:</p> <ul style="list-style-type: none"> <li>▪ For switching out of the Fund: <ul style="list-style-type: none"> <li>○ the minimum withdrawal amount applicable to the Fund;</li> <li>○ the minimum balance required (after the switch) for the Fund, unless you are withdrawing from the Fund in entirety; and</li> <li>○ the Withdrawal Fee of the Fund (if any).</li> </ul> </li> <li>▪ For switching into the Fund: <ul style="list-style-type: none"> <li>○ the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Fund; and</li> <li>○ the Switching Fee applicable for the proposed switch (if any).</li> </ul> </li> </ul>
<b>Transfer facility</b>	You are allowed to transfer for your holdings to other Sophisticated Investor subject to such terms and conditions as may be stipulated in the Deed and by us from time to time. We may refuse to register any transfer of unit at our absolute discretion.
<b>Cooling-off period</b>	Corporations/institutions investing in the Fund are not entitled to the cooling-off right.

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

**YOU SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST SCHEME CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST SCHEME CONSULTANT.**

#### Valuations

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. Please refer to "Unit Pricing" section of the Information Memorandum for more details.

#### Avenue to Exit This Investment

To exit from this investment, you may withdraw from the Fund, switch out of the Fund or transfer your unit holdings to another Sophisticated Investor. Please refer to the "Fees & Charges" and "Transaction Information" sections of the Information Memorandum for more details.

Withdrawals can be made from the Fund by completing a withdrawal form and sending it to our head office. There is no restriction on the frequency of withdrawals. The amount that you will receive is calculated by the withdrawal value less the Withdrawal Fee, if any. You will be paid in RM within fourteen (14) Business Days of receipt of the complete withdrawal request. You will have to bear the applicable bank fees and charges, if any.

For more information on the withdrawals, please refer to the “Transaction Information” chapter of the Information Memorandum. For more information on the fees and charges incur when you exit from this investment, please refer to “Fees, Charges and Expenses” chapter of the Information Memorandum.

### Contact for Further Information / Complaint

(i) You may contact our Customer Care Centre at (03) 7718 3000. Our Customer Care Centre is available 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 you can e-mail us at [service@principal.com.my](mailto:service@principal.com.my).

(ii) Alternatively, you may also contact:

(a) Securities Industry Dispute Resolution Center (SIDREC):

- via phone to : 03-2282 2280
- via fax to : 03-2282 3855
- via e-mail to : [info@sidrec.com.my](mailto:info@sidrec.com.my)
- via letter to : Securities Industry Dispute Resolution Center (SIDREC)  
Unit A-9-1, Level 9, Tower A, Menara UOA Bangsar  
No.5, Jalan Bangsar Utama 1, 59000 Kuala Lumpur

(b) SC’s Consumer & Investor Office:

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

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

- via phone to : 03-2092 3800
- via fax to : 03-2093 2700
- via e-mail to : [complaints@fimm.com.my](mailto:complaints@fimm.com.my)
- via online complaint form available at [www.fimm.com.my](http://www.fimm.com.my)
- via letter to : Legal, Secretarial & Regulatory Affairs  
Federation of Investment Managers Malaysia  
19-06-1, 6th Floor, Wisma Tune,  
No. 19, Lorong Dungun Damansara Heights, 50490 Kuala Lumpur

### Appendix: Glossary

Application Fee	- Preliminary charge on each investment.
Business Day	- Mondays to Fridays when Bursa Malaysia is open for trading, and banks in Kuala Lumpur and/or Selangor are open for business. <b>Note:</b> We may declare certain Business Days a non-Business Day when deemed necessary, such as in the event of market disruption.
CIS	- Refers to collective investment schemes as defined under the SC Guidelines.
Deed	- The principal deed 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.
FTSE	- Financial Times Stock Exchange.
Fund or WEF	- Principal Wholesale Equity Fund (formerly known as CIMB-Principal Wholesale Equity Fund).
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 the Fund’s assets less the value of all the Fund’s liabilities, at the point of valuation. For the purpose of computing the annual Management Fee (if any) and annual Trustee Fee (if any), the NAV of the Fund should be inclusive of the Management Fee and Trustee Fee for the relevant day. The NAV of a Fund is the NAV of the Fund attributable to a Fund at the same valuation point.
NAV per unit	- The NAV of the Fund divided by the number of units in circulation, at the valuation point.
Principal Malaysia or the Manager	- Principal Asset Management Berhad (formerly known as CIMB-Principal Asset Management Berhad).

Product Highlights Sheet	- Refers to the disclosure document issued by us that contains clear and concise information of the salient features of the Fund.
SC	- Securities Commission Malaysia.
Sophisticated Investor	- Refers to investors as we determine as qualified or eligible to invest in the Fund and that fulfil any laws, rules, regulation, restrictions or requirements imposed by the respective country's regulators where the Fund is open for sale. For investors in Malaysia, this refers to any person who falls within any of the categories of investors set out in Part 1, Schedule 6 and 7 of the CMSA. <b>Note:</b> For more information, please refer to our website at <a href="http://www.principal.com.my">http://www.principal.com.my</a> for the current excerpts of Part 1, Schedules 6 and 7 of the CMSA.
Switching Fee	- A charge that may be levied when switching is done from one (1) fund to another.
Transfer Fee	- A nominal fee levied for each transfer of units from one (1) Unit holder to another.
Trustee Fee	- A percentage of the NAV of the Fund that is paid to the Trustee for its services rendered as trustee for the Fund.
Unit holder	- The registered holder for the time being of a unit of the Fund including persons jointly so registered.
Wholesale Fund	- A unit trust scheme established in Malaysia where the units are to be issued, offered for subscription or purchase, or for which invitations to subscribe for or purchase the units are to be made, exclusively to Sophisticated Investor.
Withdrawal Fee	- A charge levied upon withdrawal under certain terms and conditions (if applicable).

**Note:** Unless the context otherwise requires;

- words importing the singular number should include the plural number and vice versa.
- reference to any rules, regulations, guidelines, standards, directives, notices, legislation or statutes in this Product Highlights Sheet shall be reference to those rules, regulations, guidelines, standards, directives, notices, legislations or statutes for the time being in force, as may be amended, varied, modified, updated, superseded and/or re-enacted, from time to time;
- time, day or date disclosed in this Product Highlights Sheet shall be a reference to that time, day or date in Malaysia; and
- reference to "days" in this Product Highlights Sheet will be taken to mean calendar days.

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