

Date of issuance: 26 February 2024

Product Highlights Sheet

Principal World Selection Conservative Fund

Responsibility Statement

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

Statement of Disclaimer

The relevant information and document in relation to the Fund, including a copy of this PHS has been lodged with the Securities Commission Malaysia under the Lodge and Launch Framework.

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

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

The Manager

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

This PHS supersedes the PHS dated 15 May 2019.

This PHS only highlights the key features and risks of this unlisted capital market product. You are advised to read this PHS together with the Information Memorandum for the Fund dated 15 May 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 World Selection Conservative Fund

The Fund is a wholesale feeder fund issued by Principal Malaysia. The Fund aims to provide long term total returns through investments in one collective investment scheme, which is managed with low risk strategy by investing primarily in bonds and shares, either directly or through investing into other funds. The Fund is established with a multi-class structure and is allowed to establish new Class(es) from time to time without your prior consent.

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

Product Suitability

The recommended investment timeframe for this Fund is five (5) years or more. The Fund best suits you if you:

- are a Sophisticated Investor;
- have a long term investment horizon;
- seek for a reasonable level of capital growth while willing to accept a low degree of risk; and
- seek for regular income.

Key Product Features

Fund category/Type	Feeder Fund/ Income & Growth			
Base currency	USD			
Benchmark	The Fund is benchmark unconstrained as the Target Fund is benchmark unconstrained, i.e. it will be actively managed without reference to any specific benchmark.			
Investment strategy	<p>The Fund is a feeder fund and it invests in a single collective investment scheme, i.e. HSBC-WS1. The Fund may also invest in liquid assets for liquidity purpose.</p> <p>In order to achieve its investment objective, the Fund will invest at least 95% of its NAV in HSBC-WS1; a portfolio established on 20 October 2009 under the HSBC Portfolios (“Company”). The Fund will also maintain up to 5% of its NAV in liquid assets for liquidity purposes.</p> <p><u>Information on the Target Fund</u></p> <p>Company : HSBC Portfolios Management Company : HSBC Investment Funds (Luxembourg) S.A. Investment Adviser : HSBC Global Asset Management (UK) Limited Regulatory authority : Commission de Surveillance du Secteur Financier</p>			
Launch date	Fund	: 15 May 2019	Class GBP-Hedged	: 15 May 2019
	Class USD	: 15 May 2019	Class MYR-Hedged	: 15 May 2019
	Class AUD-Hedged	: 15 May 2019	Class SGD-Hedged	: 15 May 2019
Financial year-end	31 August			
Distribution policy	<p>Class USD, Class AUD-Hedged, Class GBP-Hedged, Class MYR-Hedged and Class SGD-Hedged:</p> <p>Depending on the level of income (if any) the Class generates, the Class aims to distribute part or all of its distributable income on a quarterly basis.</p> <p>Note: The Fund may distribute from realised income, realised capital gains, unrealised income, unrealised capital gains, capital or a combination of any of the above. We reserve the right to vary the frequency and/or amount of distributions.</p>			
Manager	Principal Asset Management Berhad			
Trustee	HSBC (Malaysia) Trustee Berhad			
Solicitors	Wei Chien & Partners			

Key Risks

General risks of investing in a collective investment scheme	
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.
General market environment risk	Refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the fund's NAV.
Inflation risk	This is the risk that your investment in the fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce your purchasing power even though the value of the investment in monetary terms has increased.
Loan financing risk	This risk occurs when you take a loan/financing to finance your investment. The inherent risk of investing with borrowed money includes you being unable to service the loan repayments. In the event units are used as collateral, you may be required to top up your existing instalment if the prices of units fall below a certain level due to market conditions. Failing which, the units may be sold at a lower NAV per unit as compared to the NAV per unit at the point of purchase towards settling the loan.

Specific risks related to the Fund	
Currency risk	<p>Currency risk is applicable to Class(es) (e.g. Class MYR) which is in a different currency than the base currency of the Fund (i.e. USD). The impact of the exchange rate movement between USD and the currency denomination of the respective Class(es) may result in a depreciation of the value of your holdings as expressed in the currency denomination of the Class(es).</p> <p>As for hedged Class, the Class itself provides mitigation to the currency risk arising from the difference between the currency denomination of the Class and the USD. While we aim to fully hedge the currency risk for a hedged Class, you should note that it may not entirely eliminate currency risk. Also, as a result of hedging, a hedged Class will not be able to enjoy the full benefits of the currency movement in the event of a favourable movement of the currency denomination of the hedged Class against the USD. You should also note that hedging incurs costs, in which will impact the NAV of a hedged Class.</p>
Fund manager's risk	As the Fund invests into a collective investment scheme managed by another manager, the Target Fund's manager has absolute discretion over the Target Fund's investment technique and knowledge, operational controls and management. In the event of mismanagement of the Target Fund, the NAV of the Fund, which invests into the Target Fund would be affected negatively. Although the probability of such occurrence is minute, should the situation arise, we reserve the right to seek for alternative collective investment scheme that is consistent with the objective of the Fund, subject to your approval.
Country risk	As the Fund invests in the Target Fund which is domiciled in Luxembourg, the Fund's investments in the Target Fund may be affected by risks specific to Luxembourg. Such risks include adverse changes in Luxembourg's economic fundamentals, social and political stability, laws and regulations and foreign investments policies. These factors may be an adverse impact on the prices of the Target Fund's investments, which will depress the Target Fund's NAV growth, and consequently depress the Fund's NAV growth.

Specific risks related to the Target Fund	
The specific risk related to the Target Fund includes but not limited to:	
<ul style="list-style-type: none"> ▪ Conflicts ▪ Cross-class liability risk ▪ Market risk ▪ Foreign exchange risk ▪ Liquidity risk ▪ Emerging markets risk ▪ Interest rate risk ▪ Credit risk ▪ Downgrading risk ▪ Non-Investment Grade Debt / Unrated Debt ▪ Volatility of financial derivative instruments ▪ Futures and options 	<ul style="list-style-type: none"> ▪ OTC financial derivative transactions ▪ Counterparty risk ▪ Investment in real estate ▪ Investment in REITs ▪ Investment in hedge funds ▪ Investment in private equity ▪ Investment in commodity collective investment schemes or commodity financial derivative instruments ▪ Specific nature of a fund of funds ▪ Duplication of costs when investing in collective investment schemes ▪ Potential implication of Brexit ▪ Taxation

For more details, please refer to "Risk Factors" section of the Information Memorandum. The above summary of risks does not purport to be an exhaustive list of all the risk factors relating to investments in the Fund and are not set out in any particular order of priority. You should be aware that an investment in 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.

Note: If your investments are made through an IUTA via a nominee system of ownership, you would not be deemed as a Unit holder under the Deed and as a result, 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

	Class(es) of units				
	Class USD	Class AUD-Hedged	Class GBP-Hedged	Class MYR-Hedged	Class SGD-Hedged
Application Fee	Up to 5.50% of the NAV per unit.				
Withdrawal Penalty	Nil.				
Switching Fee	Since switching is treated as a withdrawal from one class or fund and an investment into another class or fund, you will be charged a Switching Fee equal to the difference (if any) between the Application Fee of the Class and Application Fee of the other class or fund. Switching Fee will not be charged if the class or fund to be switched into has a lower Application Fee. We may impose				
	USD35	AUD35	GBP35	MYR100	SGD35
	administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fees with us or our Distributors. We also have the discretion to waive the Switching Fee and/or administrative fees.				
Transfer Fee	A maximum of USD15	A maximum of AUD15	A maximum of GBP15	A maximum of MYR50	A maximum of SGD15
	may be charged for each transfer.				
Management Fee	Up to 1.20% per annum of the NAV of the Class.				
Trustee Fee	Up to 0.04% per annum of the NAV of the Fund (including local custodian fees and charges but excluding foreign sub-custodian fees and charges).				
Other charges payable directly by you when purchasing or withdrawing units	Any applicable bank charges and other bank fees incurred as a result of an investment or withdrawal will be borne by you.				
Expenses directly related to the Fund	Only expenses that are directly related to the Fund can be charged to the Fund. Examples of relevant expenses are audit fee and tax agent's fee.				
Other fees payable indirectly by you when investing in the Fund	Other fees indirectly incurred by a feeder fund such as dilution adjustment, annual depositary fees and transaction fees of the Target Fund. As such, Unit holders are indirectly bearing the dilution adjustment, depositary fees and transaction fees charged at the Target Fund level.				

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

Transaction Information

	Class(es) of units				
	Class USD	Class AUD-Hedged	Class GBP-Hedged	Class MYR-Hedged	Class SGD-Hedged
Minimum initial investment	USD 2,000	AUD 2,000	GBP 2,000	MYR 10,000	SGD 2,000
	or such other amount as we may decide from time to time.				
Minimum additional investment	USD 1,000	AUD 1,000	GBP 1,000	MYR 5,000	SGD 1,000
	or such other amount as we may decide from time to time.				
Minimum withdrawal	1,000 units	1,000 units	1,000 units	5,000 units	1,000 units
	or such other number of units as we may decide from time to time.				
	2,000 units	2,000 units	2,000 units	10,000 units	2,000 units

	Class(es) of units				
	Class USD	Class AUD-Hedged	Class GBP-Hedged	Class MYR-Hedged	Class SGD-Hedged
Minimum balance	or such other number of units as we may decide from time to time.				
Switching	<p>Switching will be conducted based on the value of your investment in the Class. The minimum amount for a switch is subject to:</p> <ul style="list-style-type: none"> ▪ for switching out of the Class: <ul style="list-style-type: none"> ○ the minimum withdrawal amount applicable to the Class; ○ the minimum balance required (after the switch) for the Class, unless you are withdrawing from the Class in entirety; and ○ the Withdrawal Penalty of the Class (if any); ▪ for switching into the Class: <ul style="list-style-type: none"> ○ the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Class; and ○ the Switching Fee applicable for the proposed switch (if any). <p>You may negotiate to lower the amount for your switch with us or our Distributors.</p>				
Transfer	We may, at our absolute discretion, allow/refuse Unit holders to transfer their units to an eligible Sophisticated Investor subject to such terms and conditions as may be stipulated by us from time to time.				
Cooling-off period	You have six (6) Business Days after your initial investment (i.e. from the date the complete application is received and accepted by us or any of our Distributors) to reconsider the appropriateness and suitability for your investment needs. Within this period, you may withdraw your investment at the same NAV per unit when the units were purchased or prevailing NAV per unit at the point of cooling-off (whichever is lower) ("Refund Amount"). We will pay the Refund Amount including the Application Fee (if any) to you in the currency of the respective Class within seven (7) Business Days from the date we receive the complete documentations. Please note that the cooling-off right is only given to first time investor investing with us or our Distributors. However, corporations or institutions, Principal Malaysia's staff and person(s) registered with a body approved by the SC to deal in unit trust funds 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 your request to lower the 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 amount or 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 ANY PAYMENT DIRECTLY OR INDIRECTLY TO ANY INDIVIDUAL AGENT/EMPLOYEE OF THE MANAGER OR ISSUE A CHEQUE IN THE NAME OF AN INDIVIDUAL AGENT/EMPLOYEE OF THE MANAGER WHEN PURCHASING THIS FUND.

Valuations

We will carry out the valuation of the Classes for each Business Day on the next Business Day (T+1) at 4:00 p.m. This is to cater for the currency translation of the foreign securities or instruments to the Fund's base currency (i.e. USD). The NAV per unit for a Business Day is available on our website at www.principal.com.my after 5:30 p.m. on the following Business Day (T+1). Please refer to the "Unit Pricing" section of the Information Memorandum for more information.

Avenues to Exit This Investment

To exit from this investment, you may withdraw, switch out of the Fund or transfer your unit holdings to another Sophisticated Investor.

You may withdraw from a Class by completing a withdrawal form and sending it to the relevant Distributor or our head office. There is no restriction on the frequency of withdrawals. The amount that you will receive is calculated by the withdrawal value less the Withdrawal Penalty, if any. You will be paid in the currency of the Class (e.g. Class USD Unit holders will be paid in USD) within seven (7) Business Days upon our receipt of the complete withdrawal request. You will have to bear the applicable bank fees and charges, if any.

You should note that the time taken to pay the withdrawal proceeds to you (i.e. seven (7) Business Days) may be extended/delayed if the calculation of the NAV of the shares of the Target Fund is suspended, the redemption request of the Target Fund is deferred, the dealings of the Fund is temporarily suspended by the Manager or there are any unforeseen circumstances that caused a delay in us receiving redemption proceeds from the Target Fund's manager, subject to concurrence from the Trustee. Should any of the above events occur, we may not be able to pay the withdrawal proceeds to you within seven (7) Business Days. However, we will pay the withdrawal proceeds to you within five (5) Business Days subsequent to our receipt of redemption proceeds from the Target Fund's manager.

For more information on withdrawal, switching, transfer facility and cooling-off period, 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) 7723 7260 or whatsapp at +6016 299 9792 for further information or for any dispute resolution. Our Customer Care Centre is available during business hour between 8:45 a.m. and 5:45 p.m. (Malaysian time) from Mondays to Fridays or you can e-mail us at myservice@principal.com.

(ii) If you are dissatisfied with the outcome of the dispute resolution process with us, please refer your dispute to Securities Industry Dispute Resolution Center (SIDREC):

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

(iii) You can also direct your complaint to the SC even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Consumer & Investor Office:

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

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

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

Appendix: Glossary

Application Fee	- Preliminary charge on each investment.
Business Day	- Mondays to Fridays when Bursa Malaysia Securities Berhad is open for trading, and banks in Kuala Lumpur and/or Selangor are open for business. In respect of the Target Fund, it means a day on which the stock exchange in Luxembourg is open for business. Note: We may declare certain Business Days to be a non-Business Day if the jurisdiction of the Target Fund declares a non-business day and/or if the Target Fund's manager declares a non-dealing day. This information will be communicated to you via our website at www.principal.com.my .
Class	- Any Class of units representing similar interests in the assets of the Fund.
Class AUD-Hedged	- The Class of units issued by the Fund denominated in AUD that aims to minimize the effect of exchange rate fluctuations between the base currency of the Fund and AUD.

Class GBP-Hedged	- The Class of units issued by the Fund denominated in GBP that aims to minimize the effect of exchange rate fluctuations between the base currency of the Fund and GBP.
Class MYR-Hedged	- The Class of units issued by the Fund denominated in MYR that aims to minimize the effect of exchange rate fluctuations between the base currency of the Fund and MYR.
Class SGD-Hedged	- The Class of units issued by the Fund denominated in SGD that aims to minimize the effect of exchange rate fluctuations between the base currency of the Fund and SGD.
Class USD	- The Class of units issued by the Fund denominated in USD.
CMSA	- Capital Markets and Services Act 2007.
Deed	- The principal and all supplemental deed in respect of the Fund made between us and the Trustee, in which Unit holders agree to be bound by the provisions of the Deed.
Distributors	- Any relevant persons and bodies appointed by Principal Malaysia from time to time, who are responsible for selling units of the Fund, including Principal Distributors and IUTAs.
Fund or PWS-CF	- Principal World Selection Conservative Fund.
Information Memorandum	- Refers to the information memorandum dated 15 May 2019 and first supplemental information memorandum dated 26 February 2024 in respect of the Fund issued by us describing the details of the Fund.
IUTA	- Institutional Unit Trust Scheme Advisers.
Management Fee	- A percentage of the NAV of the Class that is paid to the Manager 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 Class is the NAV of the Fund attributable to a Class at the same valuation point.
NAV per unit	- The NAV attributable to a Class of Units divided by the number of units in circulation for that Class, at the valuation point.
OTC	- Over-the-counter.
Principal Distributors	- Refers to the authorised unit trust scheme consultants registered with Principal Malaysia.
Principal Malaysia or the Manager	- Principal Asset Management Berhad.
PHS	- Refers to Product Highlights Sheet, this document issued by the Manager that contains clear and concise information of the salient features of the Fund.
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, regulations, 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: <ul style="list-style-type: none"> (i) is determined to be a sophisticated investor under the SC's Guidelines on Categories of Sophisticated Investors, as amended from time to time; or (ii) acquires any capital market products where the consideration is not less than MYR250,000 or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise, and/or any other category(ies) of investors as may be permitted by the SC from time to time. <i>Note: For more information, please refer to our website at www.principal.com.my for the current and/or updated definition and categories of "Sophisticated Investor".</i>
Switching Fee	- A charge that may be levied when switching is done from one fund or class to another.
Target Fund or HSBC-WS1	- The collective investment scheme that the Fund invests predominantly in. Currently, it refers to HSBC Portfolios – World Selection 1.
Transfer Fee	- A nominal fee levied for each transfer of units from one Unit holder to another.
Trustee	- HSBC (Malaysia) Trustee Berhad.
Trustee Fee	- A percentage of the NAV of the Fund that is paid to the Trustee for its services rendered as trustee for the Fund.
USD	- United States Dollar.
Unit holder	- The registered holder for the time being of a unit of any Class including persons jointly so registered.
Withdrawal Penalty	- A charge levied upon withdrawal under certain terms and conditions (if applicable).

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