

Date of Issuance: 26 February 2024

Product Highlights Sheet

Principal Corporate Deposit Fund 1

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 the 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 5 September 2023.

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. You are advised to request, read and understand the Information Memorandum before deciding to invest.

Brief Information on Principal Corporate Deposit Fund 1

Principal Corporate Deposit Fund 1 is a wholesale money market fund issued by Principal Malaysia. The Fund aims to provide investors with a low risk investment portfolio by investing primarily in deposits.

This is neither a capital protected nor capital guaranteed fund.

Product Suitability

This Fund best suits you if you:

- are a corporate investor; and
- seek for low risk investment with a short-term investment horizon.

Key Product Features

Fund Category/Type	Wholesale Fund (Money Market) / Income.
Benchmark	CIMB Bank Overnight Rate. Note: Information on the benchmark can be obtained from www.cimbbank.com.my .
Investment policy and principal investment strategy	The Fund will invest at least 90% of the Fund's NAV in deposits and/or money market instruments which have a remaining maturity period of less than 365 days. The remaining of the Fund's NAV is maintained in cash or its equivalent for any expenses recoverable directly from the Fund in accordance with the Deed and/or SC Guidelines. The investment policy is to invest in liquid and low risk short-term investments with capital preservation*. Note: *The Fund is neither a capital guaranteed fund nor a capital protected fund.
Launch date	23 September 2011.
Financial year-end	28 February (29 February in the event of a leap year).
Distribution policy	The Fund aims to pay distribution on a monthly basis, depending on the level of income (if any) the Fund generates and at our discretion.
Manager	Principal Asset Management Berhad
Trustee	Before 11 October 2023, PB Trustee Services Berhad After 11 October 2023, HSBC (Malaysia) Trustee Berhad
Solicitors	Soon Gan Dion & 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.
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.
Manager's 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 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 loan.

Specific risks related to the Fund

Credit and default risk	The Fund will be exposed to a certain degree of credit and default risk of issuers or counterparties when the Fund invests in money market instruments and/or place deposits. Credit risk relates to the creditworthiness of the securities issuers or counterparties and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer or counterparties may impact the value as well as liquidity of the investments. We aim to mitigate this risk by performing bottom-up and top-down credit research and analysis to determine the creditworthiness of its issuers or counterparties, and impose investment limits on exposures for issuers or counterparties with different credit profiles as a precautionary step to limit any loss that may arise directly or indirectly as a result of a defaulted transaction.
Interest rate risk	Interest rate risk is the risk that an investment's value will be affected due to a change in the level of interest rates. Such changes usually affect the investments inversely and can be reduced by managing the duration of the portfolio via shorter or longer tenured assets depending on our view of the future interest rate trend, which is based on our continuous fundamental research and analysis. However, given the short-term nature of the investments of the Fund and the investments are primarily in deposits, the Fund is exposed to minimal interest rate risk.
Concentration risk	Concentration risk is the risk of loss as a result of investing heavily into a particular group of counterparties/issuers. We aim to mitigate this risk by performing fundamental credit research and analysis to determine the creditworthiness of the counterparties/issuers.

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

Application Fee	Nil
Withdrawal Fee	Nil
Switching Fee	Nil.
Transfer Fee	Nil.
Management Fee	Up to 0.25% per annum of the NAV of the Fund.
Trustee Fee	Before 11 October 2023, 0.02% per annum of the NAV of the Fund, subject to a minimum of RM18,000 per annum. After 11 October 2023, Up to 0.015% per annum of the NAV of the Fund.
Expenses directly related to 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 charges payable indirectly by you when investing in the Fund	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 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 in this PHS.

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

Minimum initial investment	RM 1 million or such other amount as we may decide from time to time.
Minimum additional investment	RM 1,000 or such other amount as we may decide from time to time.
Minimum withdrawal	RM 1,000 or such other amount as we may decide from time to time. There is no restriction on the frequency of withdrawals.
Minimum balance	1,000 units or such other number of units as we may decide from time to time.

Switching	Switching will be conducted based on the value of your investment in the Fund. The minimum amount for a switch must be equivalent to the minimum withdrawal amount applicable to the Fund or such other amounts as we may from time to time decide. Please note that the minimum amount for a switch must also meet the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the fund to be switched into. Further, Unit holders must at all times maintain at least the minimum balance required for the Fund to stay invested in that Fund. Currently, there is no restriction on the frequency of switches.
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 Deed and by us from time to time. We may refuse to register any transfer of a unit at our absolute discretion.
Cooling-off period	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 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 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

The unit price is based on the closing market price of the Fund's underlying investments as at the end of that Business Day. The unit price (i.e. NAV per unit of the Fund) for a Business Day is available on our website at www.principal.com.my after 1:30 p.m. on the following Business Day. 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, switch out of or transfer your unit holdings to other Sophisticated Investors. Please refer to the "Fees & Charges" and "Transaction Information" sections of the Information Memorandum for more details.

If you request a specific amount in MYR, the number of units will be calculated by dividing the requested amount in MYR by the NAV per unit, and the number of units will be rounded to two (2) decimal places. That amount will be paid in MYR within three (3) Business Days from the day we process the withdrawal request. The amount that you will receive is calculated by the withdrawal value less the Withdrawal Fee (if any). You will have to bear the applicable bank fees and charges, if any.

For more information on the withdrawals, switching, transfer facility and cooling-off period, please refer to the "Transaction Information" chapter of the 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 Corporate & Institutional Business at (603) 2084 8888. for further information or for any dispute resolution. Our Corporate and Institutional Business is available during business hours between 8:45 a.m. and 5:45 p.m. (Malaysian time) from Mondays on Fridays or you can e-mail us at myservice@principal.com or myinstitutionalenquiries@principal.com
- (ii) Alternatively, you may also contact:
 - (a) If you are dissatisfied with the outcome of the dispute resolution process with us, please refer your dispute to Securities Industry Dispute Resolution Center (SIDREC):
 - via phone to : 03-2282 2280
 - via fax to : 03-2282 3855
 - via e-mail to : info@sidrec.com.my
 - via letter to : Securities Industry Dispute Resolution Center (SIDREC)
Unit A-9-1, Level 9, Tower A, Menara UOA Bangsar
No.5, Jalan Bangsar Utama 1, 59000 Kuala Lumpur

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

- via phone to 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

(c) FIMM'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 is open for trading, and banks in Kuala Lumpur and/or Selangor 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.
Deed	- The principal deed and any 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.
FIMM	- Federation of Investment Managers Malaysia.
Fund or CDF1	- Principal Corporate Deposit Fund 1.
Information Memorandum	- Refers to the information memorandum dated 19 December 2019, first supplementary information memorandum dated 5 September 2023 and second supplemental information memorandum dated 26 February 2024 issued by us describing details of the Fund.
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.
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.
PHS	- Refers to this document issued by the Manager 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, 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: (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 (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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