

Product Highlights Sheet

Principal Deposit 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 omission of other facts which would make any statement in this PHS false or misleading.

Statements of Disclaimer

The Securities Commission Malaysia has authorized the issuance of the Fund and a copy of this PHS has been lodged with the Securities Commission Malaysia.

The authorisation of the Fund and lodgement of 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 11 December 2023.

This PHS only highlights the key features and risks of this unlisted capital market product. We recommend that you read this PHS together with the Replacement Prospectus dated 25 June 2021 and its supplementary (if any). You are advised to request, read and understand the Prospectus before deciding to invest.

Brief Information on Principal Deposit Fund

Principal Deposit Fund is a money market fund issued by Principal Malaysia. The Fund aims to generate regular income for investors through investments primarily in the money market. The Fund is established with a multi-class structure and is allowed to establish new Class(es) from time to time.

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

Product Suitability

The Fund is suitable for investors who:

- have either a short-term or medium-term investment horizon;
- want a portfolio that invest in Deposits;
- desire a stream of income*; and/or
- seek preservation of capital** and flexibility in investment.

* The stream of income will be automatically reinvested into additional units in the Fund at the NAV per unit on the distribution date.

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

Key Product Features

| | | | | | | |
|--|--|---|-------------|--|---|-----------------|
| Fund Category/Type | Money Market / Income | | | | | |
| Base currency | MYR | | | | | |
| Benchmark | CIMB Bank Overnight Rate <i>Note: Given that the Fund is an income fund, the Fund shall benchmark itself against the overnight rate for performance comparison purpose only. Therefore, you are cautioned that the risk profile of the Fund is higher than the benchmark. Information on the benchmark can be obtained from www.cimbbank.com.my.</i> | | | | | |
| Investment policy and principal investment strategy | <p>The Fund will place at least 95% of its NAV in Deposits. Up to 5% of the Fund's NAV may be invested in money market instruments, short-term bonds and/or notes with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC or by local rating agency(ies) of the country of issuance or "BBB-" by S&P or equivalent rating by any other international rating agencies, all of which have a remaining maturity period of less than 397 days. The investment policy and strategy is to invest in liquid and low risk short-term investments for capital preservation*.</p> <p><i>*The Fund is neither a capital guaranteed fund nor a capital protected fund.</i></p> <p>The asset allocation strategy for this Fund is as follows:</p> <ul style="list-style-type: none"> ▪ at least 95% of the Fund's NAV in Deposits; and ▪ up to 5% of the Fund's NAV in money market instruments and short-term bonds and/or notes. | | | | | |
| Launch date | Class AI# | : | 8 July 2004 | Class AR# | : | Effective date* |
| | <p><i>#With effect from 13 August 2021, the Fund will be split into Class AI and AR where individual unitholders will be designated to Class AR and non-individual unit holders will be designated to Class AI.</i></p> <p><i>*The effective launch date of Class AR will be the date of the Fund is split into Class AI and AR.</i></p> | | | | | |
| Financial year-end | 31 August | | | | | |
| Distribution policy | Class(es) of units | | | | | |
| | Class AI | | | Class AR | | |
| | Annually, depending on the level of income (if any) the Fund generates. | | | Monthly, depending on the level of income (if any) the Fund generates. | | |
| Manager | Principal Asset Management Berhad. | | | | | |
| Trustee | HSBC (Malaysia) Trustee Berhad | | | | | |
| Solicitors | Soon Gan Dion & Partners | | | | | |

Key Risks

| General risks of investing in a fund | |
|---|--|
| Returns not guaranteed | The investment of the fund is subject to market fluctuations and its inherent risk. There is NO GUARANTEE on the investment which includes your investment capital and returns, nor any assurance that the fund's objective will be achieved. |
| 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. |
| 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 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, an incorrect view of the market or any noncompliance 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 repayments. In the event units are used as collateral and if the prices of units fall below a certain level due to market conditions, you may be required to top-up additional amounts on top of your existing instalment. 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. |
| Specific risks associated with the investment portfolio of the Fund | |
| Credit and default risk | Investment of the Fund may involve a certain degree of credit and default risk. Generally, credit and default risk is the risk of loss due to the counterparty's and/or issuer's non-payment or untimely payment of the investment amount as well as the returns on investment. We aim to mitigate this risk by performing fundamental credit research and analysis to determine the creditworthiness of its counterparty and/or issuer. |
| Interest rate risk | Interest rate risk refers to the impact of the changes in the interest rate environment that would affect the performance of the Fund. When the interest rates decrease, financial institutions may offer deposits with lower interest rates. As such, this will reduce the potential returns of future deposits which in turn will reduce the potential returns of the Fund. |

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 a unit trust fund may be exposed to other risks from time to time. If in doubt, you should consult professional advisers for a better understanding of the risks.

Note: Please 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, 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).

INVESTMENT IN THE FUND IS NOT THE SAME AS PLACEMENT IN A DEPOSIT WITH A LICENSED FINANCIAL INSTITUTION. THERE ARE RISKS INVOLVED AND YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS WHEN INVESTING IN THE FUND.

Fees & Charges

| | Class(es) of units | |
|-------------------------|---|----------|
| | Class AI | Class AR |
| Application Fee* | Nil. | |
| Withdrawal Fee | Nil. | |
| Switching Fee | Switching is treated as a withdrawal from this Class and an investment into another Class or Principal Malaysia's fund (or its class). As such, you may be charged a Switching Fee equal to the difference (if any) between the Application Fee of this Class and the Application Fee of the other Class or Principal Malaysia's fund (or its class). Switching Fee will not be charged if the Class or Principal Malaysia's fund (or its class) to be switched into has a lower Application Fee. In addition, we may impose a MYR100 administrative fee for each 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. | |

| | Class(es) of units | |
|---|--|----------|
| | Class AI | Class AR |
| Transfer Fee | A maximum of MYR50.00 may be charged for each transfer. | |
| Management Fee | Up to 0.30% per annum of the NAV of the Class. | |
| Trustee Fee | Up to 0.02% per annum (includes local custodian fee but excludes foreign sub-custodian fees and charges (if any)) of the NAV of the Fund. | |
| Other charges payable directly by you when purchasing or withdrawing the 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. | |

**If the Fund is an EPF-MIS approved fund and you have invested via EPF-MIS, you may be charged an Application Fee of up to 3.00% of the NAV per unit, or such other rate as the EPF may determine.*

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 PHS.

Subject always to the provisions of the Deed and GUTF, we reserve our sole and absolute discretion without providing any reason whatsoever and at any time to amend, vary, waive and/ or reduce the fees and charges (except for Trustee Fee), whether payable by the Fund or Class, payable by you to the Fund or payable by any other investors to the Fund.

We may for any reason and at any time, waive or reduce: (a) any fees (except the Trustee Fee); (b) other charges payable by you in respect of the Funds; and/ or (c) transactional values including but not limited to the units or amount, for any Unit holder and/or investments made via any distribution channels or platform.

Transaction Information

| | Class(es) of units | |
|--------------------------------------|---|-----------------------|
| | Class AI | Class AR [#] |
| Minimum initial investment | MYR10,000 or such other amount as we may decide from time to time. | |
| Minimum additional investment | MYR1,000 or such other amount as we may decide from time to time. | |
| Minimum withdrawal | 1,000 units or such other number of units as we may decide from time to time. | |
| Minimum balance | 5,000 units or such other number of units as we may decide from time to time. | |
| Regular Savings Plan | RSP is available for the Class. The RSP allows you to make regular monthly investments of MYR1,000 or more, direct from your account held with a bank approved by us or our Distributors. The minimum initial investment for the RSP is MYR10,000 or such other amount as we may decide from time to time. | |
| Switching | Switching will be conducted based on the value of your investment in the Class. The minimum amount for a switch is subject to: <ul style="list-style-type: none"> ▪ for switching out of the Class: <ul style="list-style-type: none"> ○ the minimum withdrawal applicable to the Class; ○ the minimum balance required for the Class, unless you are withdrawing from the Class in entirety; and ○ the Withdrawal Fee 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). You may negotiate to lower the amount for your switch with us or our Distributors. | |
| Transfer | Transfer of unit holdings is allowed but this is subject to conditions stipulated in the Deed. However, we may refuse to register any transfer of unit at our absolute discretion. | |

| | Class(es) of units | |
|---------------------------|-------------------------------|---|
| | Class AI | Class AR# |
| Cooling-off period | Not applicable for this Class | <p>You have six (6) Business Days after your initial investment (i.e. the date the complete application is received and accepted by us or our Distributors) to reconsider its 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 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, Principal Malaysia's staff or a person registered with a body approved by the SC to deal in unit trust funds are not entitled to the cooling-off right.</p> <p>In addition, if you have invested via the EPF-MIS (where available), your cooling-off right is subject to the EPF's terms and conditions.</p> |

[#]The minimum initial investment for EPF-MIS shall be MYR1,000 or such other amount as determined by EPF. The list of Funds that is allowed under the EPF-MIS approved fund will be updated on the website at www.principal.com.my or www.kwsp.gov.my as and when EPF revises the list. Alternatively, you may contact our Customer Care Centre at (03) 7723 7260 for further information.

Note: We reserve our sole and absolute discretion without providing any reason whatsoever and at any time to accept, reject, amend, vary, waive and/ or reduce (as the case maybe): (i) You may request for a lower amount or number of units when purchasing units (or additional units) or withdrawing units; and/ or (ii) the minimum balance. 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.

We may for any reason and at any time, waive or reduce: (a) any fees (except the Trustee Fee); (b) other charges payable by you in respect of the Funds; and/ or (c) transactional values including but not limited to the units or amount, for any Unit holder and/or investments made via any distribution channels or platform.

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 point for the Classes for a Business Day at the end of that Business Day (T day). The NAV per unit for a Business Day is available on our website at www.principal.com.my after 10:00 a.m. on the following Business Day (T+1).

Please refer to the "Unit Pricing" section of the Prospectus for more information.

Avenues to Exit This Investment

To exit from this investment, you may withdraw, switch out or transfer your unit holdings to other investors. You may withdraw your investment at the NAV per unit of the Business Day.

Withdrawals can be made from the Class by completing a withdrawal form and sending it to the relevant Distributor or Principal Malaysia's 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 MYR within three (3) Business Days of receipt of the complete withdrawal request. For a withdrawal amount greater than MYR 30 million, you are required to provide us with a written notice (electronically or otherwise) of minimum seven (7) Business Days of such intention to withdraw to enable us to process the withdrawal. 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 Prospectus. 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 Prospectus.

Fund Performance

Average total return of the Fund

| FYE: 31 August 2024 in % | 1-Year | 3-Years | 5-Years | 10-Years | Since inception |
|--------------------------|--------|---------|---------|----------|-----------------|
| Class AI | 3.62 | 2.94 | 2.66 | 2.98 | 2.76 |
| Class AR | 3.62 | 2.94 | 2.66 | 2.98 | 2.76 |
| Benchmark | 1.62 | 1.24 | 1.05 | 1.34 | 1.71 |

Note: All performance figures have been extracted from Lipper.

Annual total return of the Fund

| FYE: 31 August, in % | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|----------------------|------|------|------|------|------|------|------|------|------|------|
| Class AI | 3.62 | 3.35 | 1.87 | 1.70 | 2.77 | 3.41 | 3.39 | 3.20 | 3.34 | 3.18 |
| Class AR | 3.62 | 3.35 | 1.88 | 1.70 | - | - | - | - | - | - |
| Benchmark | 1.62 | 1.40 | 0.61 | 0.50 | 1.12 | 1.66 | 1.53 | 1.68 | 1.72 | 1.63 |

Note: All performance figures have been extracted from Lipper.

For the financial year ended 31 August 2024, both the Fund's Class AI and Class AR gave 1-year return of 3.62%, outperforming the benchmark by 200bps.

Basis of calculation and assumptions made in calculating the returns

| | | | | | |
|-------------------|---|--|----------------------|---|--|
| Percentage growth | = | $\frac{\text{NAV on that day} - \text{NAV of previous day}}{\text{NAV of previous day}} * 100$ | Average total return | = | $\frac{\text{Total returns of the years under review}}{\text{Number of years under review}}$ |
|-------------------|---|--|----------------------|---|--|

Portfolio Turnover Ratio ("PTR")

| FYE: 31 August | 2024 | 2023 | 2022 |
|----------------|-------|-------|-------|
| Fund | 12.12 | 23.11 | 17.59 |

The Fund's PTR decreased from 23.11 to 12.12 times due to lower number of transactions and increase in average NAV during the financial year under review.

Distribution

| FYE: 31 August | | 2024 | | 2023 | | 2022 | |
|----------------|-----------------------------------|----------|----------|----------|----------|----------|----------|
| | | Class AI | Class AR | Class AI | Class AR | Class AI | Class AR |
| Fund | Gross distribution per unit (Sen) | 0.00* | 0.00* | 0.00* | 0.00* | 0.59 | 0.59 |
| | Net distribution per unit (Sen) | 0.00* | 0.00* | 0.00* | 0.00* | 0.59 | 0.59 |

* Amount less than 0.01

The Fund distributed a total net income of RM0.42 million to unit holders for the financial year ended 31 August 2024. Distribution was in the form of cash or reinvested into additional units in the Fund at the NAV per unit on the distribution date.

PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE.

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 our business hour between 8:45 a.m. and 5:45 p.m. (Malaysian time) on Mondays to Fridays or you can e-mail us at myservice@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 : 03-2276 6969
 - via e-mail to : info@sidrec.com.my
 - via letter to : Securities Industry Dispute Resolution Center
Level 25, Menara Takaful Malaysia
No. 4, Jalan Sultan Sulaiman
50000 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) 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 Capital A
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/or banks in Kuala Lumpur and/or Selangor are open for business. |
| Class | - Any classes of units representing similar interest in the assets of the Fund. |
| Class AI and Class AR | - The Class of units issued by the Fund denominated in MYR and differentiated by feature such as type of eligible investors and/or transaction methods. |
| Deed | - The principal deed 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. |
| Deposit | - As per the definition of "deposit" in the Financial Services Act 2013 and "Islamic deposit" in the Islamic Financial Services Act 2013. |
| Distributor | - 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. |
| EPF | - Employees' Provident Fund. |
| EPF-MIS | - EPF's Members Investment Scheme. |
| Fund or DF | - Principal Deposit Fund. |
| GUTF | - Guidelines on Unit Trust Funds issued by the SC. |
| IUTA | - Refers to "Institutional Unit Trust Schemes Adviser", a corporation registered with Federation of Investment Managers Malaysia and authorised to market and distribute unit trust schemes of another party. |
| Management Fee | - A percentage of the NAV of the Class that is paid to the Manager for managing the portfolio of the Fund. |
| MARC | - Malaysian Rating Corporation Berhad. |
| 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 attributable to a Class of units divided by the number of units in circulation for that Class, at the valuation point. |
| Prospectus | - Refers to the document issued by us describing the details of the Fund. |
| 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. |
| RAM | - RAM Rating Services Berhad. |
| MYR | - Malaysian Ringgit. |
| RSP | - Regular Savings Plan. |
| S&P | - Standard & Poor's. |
| SC | - Securities Commission Malaysia. |
| 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. |
| Withdrawal Fee | - 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, legislation 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.*

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