

Date of issuance: 31 December 2019

Product Highlights Sheet

Principal Global Multi Asset Income Fund 2

(formerly known as CIMB-Principal Global Multi Asset Income Fund 2)

Responsibility Statement

This Product Highlights Sheet has been reviewed by the directors or authorised committee or persons approved by the Board 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 omission 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 Global Multi Asset Income Fund 2 and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the Principal Global Multi Asset Income Fund 2 and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the Principal Global Multi Asset Income Fund 2 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 Principal Asset Management Berhad, responsible for the Principal Global Multi Asset Income Fund 2 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 and Services Act 2007 and specializes in managing and operating unit trusts for investor, 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 Information Memorandum for Principal Global Multi Asset Income Fund 2 dated 31 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 Global Multi Asset Income Fund 2

Principal Global Multi Asset Income Fund 2 is a Wholesale Fund issued by Principal Malaysia. The Fund aims to provide income* and potential capital growth to investors through investments in one collective investment scheme, which invests in a diversified portfolio of global assets.

Note:

* All distributions (if any) will be automatically reinvested into additional units in the Class at the NAV per unit of the Class on the distribution date (the number of units is rounded using the normal rounding policy to two decimal places), unless written instructions to the contrary are communicated by you to the Manager. Please refer to “Other Information” chapter of the Information Memorandum for more information.

This is neither a capital protected nor capital guaranteed fund.

Product Suitability

This Fund best suits you if you:

- are Sophisticated Investors;
- have a medium term to long term investment horizon; and/or
- seek exposure in global mixed assets which is structured via a feeder fund.

Key Product Features

Fund Category/Type	Wholesale Fund (Feeder Fund) / Income and capital 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>In order to achieve its objective, the Fund will invest at least 95% of its NAV in the Schroder International Selection Fund Global Multi-Asset Income (the “Target Fund”); a SICAV domiciled in Luxembourg and established on the 18 April 2012. The Fund will invest in Class A of the Target Fund, which is a share class denominated in USD with income distribution. The Fund will also maintain up to a maximum of 5% of its NAV in liquid assets.</p> <p>Information on the Target Fund</p> <table border="1"> <tr> <td>Investment manager:</td> <td>:</td> <td>Schroder Investment Management Limited</td> </tr> <tr> <td>Management Company</td> <td>:</td> <td>Schroder Investment Management (Luxembourg) S.A.</td> </tr> <tr> <td>Regulatory authority</td> <td>:</td> <td>Commission de Surveillance du Secteur Financier (Luxembourg Financial Sector Supervisory Authority)</td> </tr> </table>	Investment manager:	:	Schroder Investment Management Limited	Management Company	:	Schroder Investment Management (Luxembourg) S.A.	Regulatory authority	:	Commission de Surveillance du Secteur Financier (Luxembourg Financial Sector Supervisory Authority)
Investment manager:	:	Schroder Investment Management Limited								
Management Company	:	Schroder Investment Management (Luxembourg) S.A.								
Regulatory authority	:	Commission de Surveillance du Secteur Financier (Luxembourg Financial Sector Supervisory Authority)								
Launch date	10 February 2015									
Financial year-end	31 July									
Distribution Policy	Depending on level of income (if any) the Class generates, the Class will distribute on a quarterly basis depending on the level of the Fund’s income. If the distribution available is too small or insignificant, any distribution may not be of benefit to the Unit holders as the total cost to be incurred in any such distribution may be higher than the amount for distribution. We have the discretion to decide on the amount to be distributed to the Unit holders.									
Manager	Principal Asset Management Berhad (formerly known as CIMB-Principal Asset Management Berhad)									
Trustee	Deutsche Trustees Malaysia 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.
Market risk	Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the fund’s NAV.

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.
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 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 of the Fund	
Manager risk	Since the Fund invests into a CIS managed by another manager, the Management Company 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 an alternative CIS that is consistent with the objective of this Fund, subject to your approval.
Currency risk	You should be aware that 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 the base currency of the Fund 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). As for a hedged Class, the Class itself provides mitigation to the currency risk arising from the difference between the currency denomination of the Class and the base currency of the Fund. While we aim to fully hedge the currency risk for a hedged Class, you should note that it may not entirely eliminate currency risk. In addition, you should note that, 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 base currency of the Fund. You should also note that hedging incurs costs, in which will impact the NAV of a hedged Class.
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. Changes to laws and regulations of Luxembourg may have an adverse impact on the Target Fund, and consequently the Fund.

Specific risks & additional risks associated with the Target Fund

The specific risk related to the Target Fund includes but not limited to:

- General Risks
- Investment Objective Risk
- Regulatory Risk
- Business, Legal and Tax Risks
- Geographic Areas
- Risk of Suspension of Share Dealings
- Interest Rate Risk
- Credit Risk
- Liquidity Risk
- Inflation/Deflation Risk
- Derivatives Risk
- Credit Default Swap Risk
- Futures, Options and Forward Transactions Risk
- Credit Linked Note Risk
- Equity Linked Note Risk
- Insurance Linked Securities Risk
- General Risk associated with OTC Transactions
- Counterparty Risk
- Specific Risk relating to Collateral Management
- OTC Derivative Clearing Risk
- Custody Risk
- Smaller Companies Risk
- Portfolio Concentration Risk
- Technology Related Companies Risk
- Lower Rated, Higher Yielding Debt Securities Risk
- Property and Real Estate Companies Securities Risk
- Mortgage Related and Other Asset Backed Securities Risks
- Initial Public Offerings Risk
- Risk Associated with Debt Securities Issued Pursuant to Rule 144A under the Securities Act of 1933
- Emerging and Less Developed Markets Securities Risk
- Specific Risks Linked to Securities Lending and Repurchase Transactions
- Underwriting or Sub-Underwriting
- Potential Conflicts of Interest
- Investment Funds
- Exchange Rates
- Fixed Income Securities
- Equity Securities
- Private Equity
- Commodities
- Tax efficiency for Shareholders
- Convertible Securities Risk
- Contingent Convertible Securities Risk
- Sovereign Risk
- Hedging Risk
- Synthetic Short Selling Risk
- RMB Hedged Share Classes Risk
- Risks Relating to Investments in the China Market
- China - Risks Regarding RQFII Status and RQFII Quota
- China - Repatriation and Liquidity Risks
- China Interbank Bond Market Risks
- China Bond Connect
- Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect

The Additional risks associated with the Target Fund includes but not limited to:

- Risk associated with distribution

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 investments in the Fund may be exposed to other risks from time to time. If in doubt, please consult professional advisers for a better understanding of the risks.

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

	Class USD
Application Fee	Up to 5.50% of the NAV per unit.
Withdrawal Fee	Nil.
Switching Fee	Switching is treated as a withdrawal from the 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 the 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 USD 35 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 Transfer Fee of USD15 may be charged for each transfer.
Management Fee	Up to 1.80% per annum of the NAV of the Class.
Trustee Fee	Up to 0.03% per annum (including local custodian fees and charges but excluding foreign sub-custodian fees and charges) on the NAV of the Fund.
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 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 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

	Class USD
Minimum initial investment	USD10,000 or such other amount as we may from time to time decide.
Minimum additional investment	USD1,000 or such other amount as we may from time to time decide.
Minimum withdrawal	USD1,000 or such other amount as we may from time to time decide.
Minimum balance	10,000 units or such other number of units as we may from time to time decide.
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 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 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). <p>You may negotiate to lower the amount for your switch with us or our Distributors.</p>
Transfer facility	We may, at our absolute discretion, allow or refuse Unit holders to transfer their units subject to such terms and conditions as may be stipulated in the Deed.
Cooling-off period	Six (6) Business Days from the date the application form is received and accepted by us or our Distributors from the first time investor. However, Principal Malaysia's staff and person(s) registered to deal in unit trust of Principal Malaysia or any Distributor 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.

INVESTORS SHOULD NOT MAKE PAYMENT IN CASH TO ANY UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT.

Valuations

We will carry out the valuation point for the Classes for a Business Day on the next Business Day (T+1) by 4:00 p.m. This is to cater for the currency translation of the foreign securities or instruments to the Fund's base currency based on the bid exchange rate quoted by Bloomberg or Reuters at UK time 4:00 p.m. on the same day (Malaysian time 11:00 p.m. or 12:00 a.m.), or such other time as stipulated in the IMS. The unit price for a Business Day is available on our website at <https://www.principal.com.my> after 5:30 p.m. on the following Business Day (T+1).

Avenues to Exit This Investment

To exit from this investment, you may withdraw from the Fund, switch out of or transfer your unit holdings to other investors. Please note that if you withdraw during the initial offer period, the Application Fee will not be refunded to you, except in the case of cooling-off period.

You may withdraw by completing a withdrawal request form and sending it to the relevant Distributors or our head office. There is no restriction on the frequency of withdrawals. That amount that you will receive is calculated by the withdrawal value less the Withdrawal Fee, if any. You will be paid in the currency of the Class (e.g. Class USD will be paid in USD) within ten (10) days, upon 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, 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 03-7718 3000. Our Customer Care Centre is available 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.

(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
- 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

(b) SC's Consumer & Investor Office:

In alliance with  **CIMB**

- via phone to : 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 : 03-2092 3800
 - via fax to : 03-2093 2700
 - 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 week 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 http://www.principal.com.my .
Class A	- Refers to "Class A Distribution USD" share class of the Target Fund; a share class denominated in USD with income distribution
Company	- Schroder International Selection Fund.
Deed	- The principal deed and any 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. Note: To exclude structured deposits.
Distributor	- Any relevant persons and bodies appointed by Principal Malaysia from time to time, who are responsible for selling the units of the Fund including Principal Distributors and IUTAs.
Fund or GMAI 2	- Principal Global Multi Asset Income Fund 2 (formerly known as CIMB-Principal Global Multi Asset Income Fund 2).
IMS	- Investment Management Standards issued by the Federation of Investment Managers Malaysia.
IUTA	- Institutional Unit Trust Scheme Adviser.
Long term	- Refers to a period of ten (10) years or more.
Management Fee	- A percentage of the NAV of the Fund that is paid to the Manager for managing the portfolio of the Fund.
Medium term	- Refers to a period of three (3) years or more.
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 of the Fund divided by the number of units in circulation, at the valuation point.
Principal Distributors	- Refers to the unit trust scheme consultants of Principal Malaysia (authorized Principal Malaysia distributors).
Principal Malaysia or the Manager	- Principal Asset Management Berhad (formerly known as CIMB-Principal Asset Management Berhad).
PHS	- Refers to Product Highlights Sheet; the disclosure document issued by the Manager that contains clear and concise information of the salient features of the Fund.
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. Note: For more information, please refer to our website at http://www.principal.com.my for the current

excerpts of Part 1, Schedules 6 and 7 of the CMSA.

SC	- Securities Commission Malaysia.
SC Guidelines	- SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework
Shareholder	- Refers to the shareholders of the Target Fund. As such, when the Fund invests in the Target Fund, the Fund is a Shareholder of the Target Fund.
SICAV	- Société d'Investissement à Capital Variable; an investment company with variable capital.
Switching Fee	- A charge that may be levied when switching is done from one (1) fund to another.
Target Fund or SGMAI	- Schroder International Selection Fund Global Multi-Asset Income.
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.
USD	- United States Dollar.
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 disclosed in this Product Highlights Sheet should be indicated as Malaysia time; and
- reference to “days” in this Product Highlights Sheet will be taken to mean calendar days.

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