

## Information Memorandum

26 September 2019

# Principal Islamic Conservative Wholesale Fund-of-Funds

*(formerly known as CIMB Islamic Conservative Wholesale  
Fund-of-Funds)*

**Manager** : **Principal Asset Management Berhad** (304078-K)  
*(formerly known as CIMB-Principal Asset Management Berhad)*

**Trustee** : **PB Trustee Services Berhad** (7968-T)

**THIS IS A REPLACEMENT INFORMATION MEMORANDUM. THIS INFORMATION MEMORANDUM IS ISSUED TO REPLACE AND SUPERSEDE THE INFORMATION MEMORANDUM ISSUE NO. 1 OF THE CIMB ISLAMIC CONSERVATIVE WHOLESALE FUND-OF-FUNDS DATED 24 NOVEMBER 2017.**

This Information Memorandum Issue No.2 of the Principal Islamic Conservative Wholesale Fund-of-Funds is dated 26 September 2019.

This Fund was constituted on 24 November 2017.

**SOPHISTICATED INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE INFORMATION MEMORANDUM. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.**

# ABOUT THIS DOCUMENT

This is an Information Memorandum which introduces you to Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (“Principal Malaysia”) and the Principal Islamic Conservative Wholesale Fund-of-Funds (“Fund”), which is a wholesale fund. This Information Memorandum outlines in general the information you need to know about the Fund and is intended for the exclusive use of the prospective Sophisticated Investor (as defined herein) who should ensure that all information contained herein remains confidential.

This Information Memorandum is strictly private and confidential and solely for your own use. It is not to be circulated to any third party. No offer or invitation to purchase the units of the Fund, the subject of this Information Memorandum, may be made to anyone who is not a Sophisticated Investor.

If you have any questions about the Fund, please contact Corporate and Institutional Business at (03) 2084 8888 between 8:45 a.m. and 5:45 p.m. (Malaysian time) on Mondays to Thursdays and between 8:45 a.m. and 4:45 p.m. (Malaysian time) on Fridays (except on Kuala Lumpur public holidays).

Unless otherwise indicated, any reference in this Information Memorandum to any rules, regulations, guidelines, standards, directives, notices, legislation or statutes shall be reference to those rules, regulations, guidelines, standards, directives, notices, legislation or statutes for the time being in force, as may be amended varied, modified, updated, superseded and/or re-enacted from time to time.

Any reference to a time, day or date in this Information Memorandum shall be a reference to that time, day or date in Malaysia, unless otherwise stated. Reference to “days” in this information memorandum will be taken to mean calendar days unless otherwise stated.

Please note all references to currency amounts and unit prices in this Information Memorandum are in MYR unless otherwise indicated.

The Fund has been certified as Shariah compliant by the Shariah Adviser appointed for the Fund.

**YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IF YOU ARE UNABLE TO MAKE YOUR OWN EVALUATION, YOU ARE ADVISED TO CONSULT PROFESSIONAL ADVISERS**

# DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Information Memorandum:

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.
CIMB Group	- CIMB Group Sdn. Bhd.
CIS	- Collective investment schemes.
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.
Fund or IWFF-C	- Principal Islamic Conservative Wholesale Fund-of-Funds <i>(formerly known as CIMB Islamic Conservative Wholesale Fund-of-Funds).</i>
IMS	- Investment Management Standards issued by the Federation of Investment Managers Malaysia.
Information Memorandum	- Refers to this information memorandum in respect of the Fund and includes any addendum and/or supplemental to the information memorandum or replacement information memorandum, as the case may be.
Islamic Deposit	- As per the definition of “Islamic deposit” in the Islamic Financial Services Act 2013. <b>Note:</b> <i>To exclude Islamic structured deposits.</i>
LPD	- Latest Practicable Date i.e. 31 August 2019, in which all information provided herein, shall remain current and relevant as at such a date.
Management Fee	- A percentage of the NAV of the Fund that is paid to us for managing the portfolio of the Fund.
NAV	- Net Asset Value.
NAV of the Fund	- The NAV of the Fund is the value of all the Fund’s assets less the value of all the Fund’s liabilities, at the point of valuation. For the purpose of computing the annual Management Fee (if any) and annual Trustee Fee (if any), the NAV of the Fund should be inclusive of the Management Fee and Trustee Fee for the relevant day.
NAV per Unit	- The NAV of the Fund divided by the number of units in circulation, at the valuation point.
PFG	- Principal Financial Group and its affiliates.
PIA	- Principal International (Asia) Ltd.
Principal Malaysia or the Manager	- Principal Asset Management Berhad <i>(formerly known as CIMB-Principal Asset Management Berhad).</i>
RM or MYR	- Malaysian Ringgit.
SAC	- Shariah Advisory Council.
SC	- Securities Commission Malaysia.
SC Guidelines	- SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.
Shariah	- Islamic law, originating from the Qur’an (the holy book of Islam), and its practices and explanations rendered by the Prophet Muhammad (pbuh) and ijthad of ulamak (personal effort by qualified Shariah scholars to determine the true ruling of the divine law on matters whose revelations are not explicit).
Shariah Adviser or Amanie	Amanie Advisors Sdn Bhd
Sophisticated Investor	- Refers to investors as we determine as qualified or eligible to invest in the Fund and that fulfil any laws, rules, regulation, restrictions or requirements imposed by the respective country’s regulators where the Fund is open for sale. For investors in Malaysia, this refers to any person who falls within any of the categories of investors set out in Part 1, Schedule 6 and 7 of the CMSA. <b>Note:</b> <i>For more information, please refer to our website at <a href="http://www.principal.com.my">http://www.principal.com.my</a> for the current excerpts of Part 1, Schedules 6 and 7 of the CMSA.</i>
Special Resolution	- A resolution passed by a majority of not less than 3/4 of Unit holders voting at a meeting of Unit holders.
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	- PB Trustee Services 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.
Unit holder	- The registered holder for the time being of a unit of the Fund.
US or USA	- United States of America.
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.

# TABLE OF CONTENTS

DEFINITIONS .....	ii
<b>1. FUND INFORMATION .....</b>	<b>1</b>
1.1. PRINCIPAL ISLAMIC CONSERVATIVE WHOLESALE FUND-OF-FUNDS .....	1
1.2. PERMITTED INVESTMENTS.....	1
1.3. INVESTMENT RESTRICTIONS AND LIMITS .....	1
1.4. APPROVALS AND CONDITIONS.....	2
1.5. SHARIAH INVESTMENT GUIDELINES .....	2
1.6. FINANCING .....	3
1.7. SECURITIES LENDING .....	3
1.8. RISK FACTORS .....	3
<b>2. FEES, CHARGES AND EXPENSES .....</b>	<b>5</b>
2.1. CHARGES .....	5
2.2. FEES AND EXPENSES .....	5
2.3. REBATES AND SOFT COMMISSIONS .....	6
<b>3. TRANSACTION INFORMATION .....</b>	<b>7</b>
3.1. VALUATION OF INVESTMENTS PERMITTED BY THE FUND .....	7
3.2. UNIT PRICING .....	7
3.3. INCORRECT PRICING.....	8
3.4. INVESTING .....	8
3.5. MINIMUM INVESTMENTS .....	8
3.6. MINIMUM WITHDRAWALS.....	9
3.7. MINIMUM BALANCE .....	9
3.8. COOLING-OFF PERIOD .....	9
3.9. SWITCHING.....	9
3.10. TRANSFER FACILITY .....	10
3.11. TEMPORARY SUSPENSION .....	10
3.12. DISTRIBUTION PAYMENT .....	10
3.13. UNCLAIMED MONEYS .....	10
<b>4. ADDITIONAL INFORMATION .....</b>	<b>11</b>
4.1. FINANCIAL YEAR-END.....	11
4.2. INFORMATION ON YOUR INVESTMENT.....	11
4.3. TERMINATION OF FUND.....	11
4.4. RIGHTS, LIABILITIES AND LIMITATIONS OF UNIT HOLDERS.....	11
4.5. DOCUMENTS AVAILABLE FOR INSPECTION .....	12
4.6. POTENTIAL CONFLICTS OF INTERESTS AND RELATED-PARTY TRANSACTIONS .....	12
4.7. INTERESTS IN THE FUND.....	13
4.8. EMPLOYEES' SECURITIES DEALINGS.....	13
<b>5. THE MANAGER .....</b>	<b>14</b>
5.1. ABOUT PRINCIPAL ASSET MANAGEMENT BERHAD.....	14
<b>6. SHARIAH ADVISER OF THE FUND .....</b>	<b>15</b>
6.1. ABOUT AMANIE ADVISORS SDN BHD .....	15
<b>7. THE TRUSTEE .....</b>	<b>17</b>
7.1. ABOUT PB TRUSTEE SERVICES BERHAD .....	17

# 1. FUND INFORMATION

## 1.1. PRINCIPAL ISLAMIC CONSERVATIVE WHOLESALE FUND-OF-FUNDS

<b>Fund Category/Type</b>	: Wholesale Fund (Fund-of-funds - Shariah-compliant)/ Growth.
<b>Investment Objective</b>	: The Fund aims to achieve capital stability by investing in a portfolio of Shariah-compliant collective investment schemes that invest in Shariah-compliant equities and/or Sukuk. <i>We will require your approval if there is any material change to the Fund's objective.</i>
<b>Benchmark</b>	: As a fund-of-funds, the Fund is benchmark unconstrained, i.e. it will be managed without reference to any specific benchmark. However, for performance comparison purpose, the Fund can be compared to the Quantshop GII Medium Index. <b>Note:</b> <i>You are cautioned that the risk profile of the Fund is different from the benchmark. The information of the benchmark can be obtained from <a href="http://www.quantshop.com">http://www.quantshop.com</a>.</i>
<b>Distribution Policy</b>	: The Fund is not expected to pay any distribution. However, we have the discretion to make income distribution on an ad-hoc basis, depending on the availability of realised income and/or realised gains, as well as the performance of the Fund.
<b>Launch Date</b>	: 24 November 2017

### Investment Policy and Principal Investment Strategy

The Fund aims to invest in at least three (3) Islamic CIS investing predominantly in Sukuk and/or Shariah-compliant equities. The Fund will invest at least 70% of its NAV in Islamic CIS investing predominantly in Sukuk and up to 30% of its NAV in Islamic CIS investing predominantly in Shariah-compliant equities. The Fund may also invest up to 5% of its NAV in Islamic liquid assets such as Islamic money market instruments and/or Islamic Deposits for liquidity purposes. The investment strategy and policy of the Fund is biased towards Islamic CIS investing predominantly in Sukuk that aim to provide some capital stability to the Fund, while allowing some exposure in Islamic CIS investing predominantly in Shariah-compliant equities that aim to provide the added return in a rising market.

The allocation between the Islamic CIS is done through a combination of macroeconomic data, liquidity trends and the outlook to overweight or underweight a particular Islamic CIS. The Fund may invest in Islamic CIS that focus its investment in the Asia Pacific ex Japan region, i.e. companies that are domiciled in, listed in, and/or have operations or businesses that focus in the Asia Pacific ex Japan region, where the regulatory authority is an ordinary or associate member of the IOSCO which include but not limited to Australia, the People's Republic of China, Hong Kong SAR, India, Indonesia, South Korea, Malaysia, New Zealand, the Philippines, Singapore, Taiwan, Thailand and Sri Lanka.

As a conservative fund, the Fund is designed to focus in local investments under general market conditions. When deemed necessary, we may also invest in foreign market to exploit the investment opportunities.

In response to adverse conditions and as part of our temporary defensive position and/or risk management strategy, we may from time to time reduce its proportion of higher risk assets, such as Islamic CIS investing predominantly in Shariah-compliant equities and increase its asset allocation to lower risk assets, such as Islamic CIS investing predominantly in Sukuk and Islamic liquid assets, to safeguard the investment portfolio of the Fund.

### Asset Allocation

- At least 70% of the Fund's NAV will be invested in Islamic CIS investing predominantly in Sukuk;
- Up to 30% of the Fund's NAV will be invested in Islamic CIS investing predominantly in Shariah-compliant equities; and
- Up to 5% of the Fund's NAV may be invested in Islamic liquid assets such as Islamic money market instruments and/or Islamic Deposits.

## 1.2. PERMITTED INVESTMENTS

The Fund will invest in the following investments:

- Islamic CIS;
- Islamic liquid assets such as Islamic money market instruments and/or Islamic Deposits; and
- Any other form of Shariah-compliant investments as may be determined by us from time to time that is in line with the Fund's objective.

## 1.3. INVESTMENT RESTRICTIONS AND LIMITS

The Fund is subject to the following investment restrictions and limits:

- The Fund must invest in at least three (3) Islamic CIS; and
- The value of the Fund's investment in Islamic liquid assets must not exceed 5% of the Fund's NAV.

## 1.4. APPROVALS AND CONDITIONS

There is no exemption and/or variation to the SC Guidelines for this Fund.

## 1.5. SHARIAH INVESTMENT GUIDELINES

At all times, the Fund shall invest in activities and instruments that are permissible under Shariah and shall not invest in activities and instruments that are prohibited under Shariah based on Shariah Adviser's established parameters as below:

### Screening process

1. For investment in Islamic CIS, the Fund shall invest in domestic and foreign Islamic CIS investing predominantly in Shariah compliant equities and/or Sukuk. The domestic Islamic CIS must be approved by SC. For the foreign Islamic CIS, it must be approved by the Shariah Adviser upon review of the necessary and relevant documentation.
2. For placement of Islamic Deposits, it shall be placed in Islamic deposit account offered by financial institutions licensed under the Islamic Financial Services Act 2013 and/or Financial Services Act 2013, whichever is appropriate. For foreign Islamic Deposits placement, it shall be placed in the non-interest-bearing deposit account. In the absence of such account, the Islamic Deposits may be placed in the interest bearing account subject to the Fund is prohibited from recognizing any interest income derived therefrom.
3. For investment in Islamic money market instruments, the Fund shall invest in the instruments that are approved by SAC of BNM and/or the SAC of the SC. Any investment in the Islamic money market instruments which have been endorsed by Shariah adviser/committee other than the appointed Shariah Adviser, such investment must also be approved by the appointed Shariah Adviser upon review of the necessary and relevant documentation e.g. principal terms and conditions, Shariah pronouncements and/or other necessary approvals.

### Rules on divestment of Shariah non-compliant securities

In the event of the following investment instances occur in the Fund, the rules below shall be executed by the Manager or its fund management delegate:

1. "Islamic CIS or instruments" which are subsequently considered as "Shariah non-compliant".

This refers to the CIS, money market instruments and/or Islamic Deposits which were earlier classified as Shariah-compliant but reclassified or deemed to be Shariah non-compliant as a result of a new or previously unknown fatwa/ruling and/or upon advice by the issuer's Shariah adviser and/or Shariah Adviser, the Manager or its fund management delegate would be required to sell the said CIS and/or money market instruments and/or to withdraw the said Islamic Deposits, as soon as practicable of having notice, knowledge or advice of the status of the same. Any profit received from the Islamic CIS, money market instruments and/or Islamic deposits prior to the occurrence of the aforesaid event shall be retained by the Fund. Any profit received subsequent to the occurrence of the aforesaid event shall be channeled to charitable bodies, as endorsed by the Shariah Adviser.

2. Shariah non-compliant CIS or instruments.

This refers to the investment in Shariah non-compliant CIS, money market instruments and/or Deposits. In the event that the Manager or its fund management delegate mistakenly invests/places in the aforementioned, it is required for the Manager or the fund management delegate to dispose/withdraw such investment/placement within a month of becoming aware of such non-compliance. Any gain(s), dividend and/or return(s) that are received before or after such disposal/withdrawal have to be channeled to charitable bodies as endorsed by the Shariah Adviser. The Fund has right to retain only the investment cost, which may include brokerage fees and other transaction costs. If such disposal/withdrawal causes losses to the Fund, the Manager or its fund management delegate shall bear the losses by ensuring the loss portion be restored and returned to the Fund.

### Cleansing process

Under Shariah, any income or distribution received by the Fund from investments in its portfolio which relates to income from Shariah non-compliant investments/placements as set out above, are considered impure income. This impure income is subject to purification process as advised by the Shariah Adviser, from time to time and without limitation, where the impure income will be distributed to charitable bodies as endorsed by the Shariah Adviser.

### Periodic review

The Shariah Adviser will review the Fund on a quarterly basis to ensure the Fund's operating procedures and investments comply with the Shariah principles.

### The Fund's compliance to the Shariah principles

The Shariah Adviser is of the view that, given the prevailing circumstances, the Fund and its respective investments/placements as disclosed and presented are acceptable and within the principles of Shariah, subject to proper execution of the legal documents and other transactions related to the Fund.

The investment portfolio of the Fund comprises CIS or instruments which have been classified as Shariah-compliant by the SAC of the SC and, where applicable the SAC of the BNM. For CIS or instruments not certified by the SAC of the SC and, where applicable the SAC of BNM, the status of the same will be determined in accordance to the ruling of the Shariah Adviser and Shariah Investment Guidelines.

## 1.6. FINANCING

The Fund may not obtain cash financing or borrow other assets in connection with its activities. However, the Fund may obtain cash financing for the purpose of meeting withdrawal requests for units and for short-term bridging requirements provided always that all the financing complied with the Shariah requirements.

## 1.7. SECURITIES LENDING

Not applicable for the Fund

## 1.8. RISK FACTORS

### 1.8.1. GENERAL RISKS OF INVESTING IN A COLLECTIVE INVESTMENT SCHEME

Before investing, you should consider the following risk factors in addition to the other information set out in this Information Memorandum.

#### 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

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 wholesale 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 financing.

#### Reclassification of Shariah status risk

This risk refers to the risk that the currently held Shariah-compliant securities in the fund may be reclassified as Shariah non-compliant in the periodic review of the securities by the SAC of the SC, Shariah adviser of the issuer, the Shariah Adviser or the Shariah boards of the relevant Islamic indices. If this occurs, we will take the necessary steps to dispose such securities. There may be opportunity loss to the fund due to the fund not being allowed to retain the excess gains derived from the disposal of the Shariah non-compliant securities. In the event that the Shariah non-compliant securities are disposed at a price lower than the investment cost, it may adversely affect the value of the fund. Thus, it may cause the NAV of the fund or price of units to fall.

### 1.8.2. SPECIFIC RISKS RELATED TO THE FUND

There are specific risks associated with the investment portfolio of the Fund, which include but are not limited, to the following:

#### Risk associated with investing in Islamic CIS

Since the Fund will invest entirely into Islamic CIS, there is a risk of concentration into Islamic CIS, in which the Islamic CIS's management company has absolute discretion over the Islamic CIS's investment technique and knowledge, operational controls and management. In the event of mismanagement of the Islamic CIS and/or the management company, the NAV of the Fund, which invests into those Islamic CIS would be affected negatively. Should the situation arise, we will seek for another Islamic CIS that is consistent with the objective of this Fund.

#### Country risk

The Fund may invest into Islamic CIS which can be domiciled in various countries. Therefore, the Fund will be subjected to risks specific to the countries in which the Islamic CIS are domiciled in. Such risks include adverse changes in economic fundamentals, social and political stability, laws and regulations and foreign investments policies. These factors may be an adverse impact on the price of the Islamic CIS, which will depress the Islamic CIS' NAV growth, and consequently depress the Fund's NAV growth.



**Currency risk**

As the Fund may invest into Islamic CIS denominated in currencies other than MYR, any fluctuation in the exchange rate between MYR and the currencies in which the Islamic CIS are denominated may have an impact on the value of these investments. You should be aware that if the currencies in which the Islamic CIS are denominated depreciate against MYR, this will have an adverse effect on the NAV of the Fund in MYR and vice versa. You should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.

**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 Wholesale 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.**

## 2. FEES, CHARGES AND EXPENSES

### 2.1. CHARGES

The following describes the charges that you may **directly** incur when you buy or redeem units of the Fund.

#### 2.1.1. Application Fee

Nil.

#### 2.1.2. Withdrawal Fee

Nil.

#### 2.1.3. Switching Fee

Nil.

#### 2.1.4. Transfer Fee

Nil.

### 2.2. FEES AND EXPENSES

The following describes the fees that you may **indirectly** incur when you invest in the Fund.

#### 2.2.1. Management Fee

The annual Management Fee for the Fund is up to 1.20% per annum of the Fund's NAV. The Management Fee shall be accrued daily based on the NAV of the Fund and paid monthly.

*Below is an illustration on how the Management Fee is calculated:*

*Management Fee for the day = NAV of the Fund x Management Fee rate for the Fund (%) / 365 days*

*If the NAV of the Fund is RM10 million, then*

*Management Fee for the day = RM10 million x 1.20% / 365  
= RM 328.77*

**Note:** *In the event of a leap year, the computation will be based on 366 calendar days.*

#### 2.2.2. Trustee Fee

The Trustee is entitled to a fee of up to 0.035% per annum of the Fund's NAV. The Trustee Fee shall be accrued daily based on the NAV of the Fund and be paid monthly.

*Below is an illustration on how the Trustee Fee is calculated:*

*Trustee Fee for the day = NAV of the Fund x Trustee Fee rate for the Fund (%) / 365 days*

*If the NAV of the Fund is RM10 million, then*

*Trustee Fee for the day = RM10 million x 0.035% / 365 days  
= RM 9.59*

**Note:** *In the event of a leap year, the computation will be based on 366 calendar days.*

#### 2.2.3. Other expenses

The Deed also provides for payment of other expenses. The major expenses recoverable directly from the Fund include:

- expenses incurred in the transaction costs of placement in Islamic Deposits;
- expenses incurred in printing of, the purchasing of stationery and postage for the annual and interim reports;
- tax and other duties imposed by the government and other authorities, and bank fees;
- fees and other expenses incurred by the auditor and tax agent;
- costs incurred in modifying the Deed other than for our benefit or Trustee;
- costs of convening and holding meetings of Unit holders (other than those meetings convened for our benefit or Trustee);
- all costs and/or expenses associated with the distributions such as fees, costs and/or expenses for the revalidation or reissuance of any distribution cheque or distribution warrant or telegraphic transfer; and
- any other fees/expenses permitted in the Deed.

Expenses not authorised by the Deed must be paid by us or the Trustee out of our own funds if incurred for our own benefit.

**2.2.4** The Trustee and us are required to ensure that any fees or charges payable are reasonable and in accordance with the Deed which stipulates the maximum rate in percentage terms that can be charged. Should the Fund invest into units

of other CIS that are managed by us or our related corporation, we will ensure that all initial charges are waived and there is no double charging of management fees.

You should note that we may alter the fees and charges (other than the Trustee Fee) within such limits, and subject to such provisions, as set out in the Deed and the SC Guidelines.

You should note that 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.

### **2.3. REBATES AND SOFT COMMISSIONS**

The Trustee and us will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investments of the Fund unless the soft commission received is retained in the form of goods and services such as research and advisory services that assist in the decision making process relating to the Fund's investments. All dealings with brokers are executed on most favourable terms available for the Fund. Any rebates will be directed to the account of the Fund.

**There are fees and charges involved and investors are advised to consider them before investing in the Fund.**

**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 or illustrated in the Information Memorandum.**

**We have the discretion to amend the amount, rate and/or terms and conditions for the above-mentioned fees, charges and expenses from time to time, subject to the requirements stipulated in the Deed. Where necessary, we will notify the Trustee and communicate to you or seek your approval on the amendments to the fees and charges.**

# 3. TRANSACTION INFORMATION

## 3.1. VALUATION OF INVESTMENTS PERMITTED BY THE FUND

We will carry out the valuation of the Fund in a fair manner. The valuation bases for the investments permitted by the Fund are as below:

- **Islamic collective investment schemes**  
The value of any investment in Islamic CIS which are quoted on an approved exchange shall be calculated daily by reference to the last transacted price on that approved exchange. If the last transacted price does not represent the fair value of the Shariah-compliant securities, then the Shariah-compliant securities should be valued at fair price as determined in good faith by us, based on the methods or bases approved by the Trustee after appropriate technical consultation, such as the mean of bid and offer prices at the close of trading. Suspended Shariah-compliant securities will be valued at their last done price unless there is conclusive evidence to show that the value has gone below the suspended price or where the quotation of the Shariah-compliant securities has been suspended for a period exceeding fourteen (14) days or such shorter period as agreed by the Trustee, whereupon their fair value will be determined in good faith by us based on the methods or bases, which have been verified by the auditor of the Fund and approved by the Trustee. When investing in unlisted Islamic CIS, the value shall be determined daily by reference to the last published repurchase/redemption price for that Islamic CIS.
- **Islamic money market instruments**  
Valuation of Islamic money market instruments such as negotiable instrument of deposits and commercial papers shall be valued by reference to the quotes provided by independent and reputable pricing source(s), which is deemed fair value. Where the quotes are provided by financial institutions, the valuation of the money market instruments will be based on the average of bid and offer prices quoted by three (3) independent and reputable financial institutions of similar standing at the close of trading. The valuation method is verified by the auditor and approved by the Trustee.
- **Islamic Deposits**  
The value of Islamic Deposits shall be determined each day by reference to the principal value of such permitted investment and the accrued income thereon for the relevant period.

## 3.2. UNIT PRICING

We adopt a single pricing method for any transactions (i.e. applications, withdrawals, switches and/or transfers) based on forward prices. This means that we will process your transactions request based on the NAV per unit at the next valuation point after we receive the completed relevant transaction forms from you.

If the transactions are made by 4:00 p.m. on a Business Day, we will process the transactions using the NAV per unit for that Business Day. For transactions made after 4:00 p.m. on a Business Day, we will process the transactions using the NAV per unit on the next Business Day.

We will carry out the valuation 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 NAV per unit for a Business Day is available on our website at <http://www.principal.com.my> after 5:30 p.m. on the following Business Day (T+1).

### **Illustration:**

For transaction request received by us by 4:00 p.m. on a Business Day

At the end of the Business Day on 3 June 2019, your units will be based on the NAV per unit on 3 June 2019, which will be calculated on the next Business Day, that is, 4 June 2019. The NAV per unit will be made known on our website after 5:30 p.m. on 4 June 2019.

For transaction request received by us after 4:00 p.m. on a Business Day

At the end of the Business Day on 3 June 2019, your units will be based on the NAV per unit on 4 June 2019, which will be calculated two (2) days later, that is, 5 June 2019. The NAV per unit will be made known on our website after 5:30 p.m. on 5 June 2019.

The Fund must be valued at least once every Business Day except during the initial offer period.

The method of determining NAV per Unit is calculated as follows:

$$\text{NAV per Unit} = \frac{\text{NAV}}{\text{Number of units in issue}}$$

The NAV of the Fund is the sum of the value of all investments and cash held by the Fund (calculated in accordance with the Deeds) including income derived by the Fund which has not been distributed to you, less all amounts owing or payable in respect of the Fund including any provisions that we and the Trustee consider should be made. For example, a provision may be made for possible future losses on an investment which cannot be fairly determined.

### 3.3. INCORRECT PRICING

We shall take immediate remedial action to rectify any incorrect valuation and/or pricing of the Fund or units of the Fund. Where such error has occurred, we shall reimburse the money in the following manner:

- a) in the event of over valuation and/or pricing, we shall reimburse:
  - i. the Fund for any withdrawal of units; and/or
  - ii. you, if you have purchase units of the Fund at a higher price; or
- b) in the event of under valuation and/or pricing, we shall reimburse:
  - i. the Fund for any subscription of units; and/or
  - ii. you, if you have withdrawn units of the Fund at a lower price.

Notwithstanding the above, unless the Trustee otherwise directs, we shall make the reimbursement only where an incorrect pricing:

- i) is equal to or more than 0.50% of the NAV per Unit; and
- ii) results in a sum total of RM10.00 or more to be reimbursed to a Unit holder for each sale or withdrawal transaction.

We shall have the right to amend, vary or revise the aforesaid limits from time to time.

### 3.4. INVESTING

#### 3.4.1. Who can invest?

You are eligible to invest in the Fund if you are a Sophisticated Investor who is:

- an individual who is at least eighteen (18) years of age and not an undischarged bankrupt. As an individual investor, you may also opt to invest in joint names (i.e. as a joint Unit holder and both applicants must be at least eighteen (18) years of age).
- an institution including a company, corporation, co-operative, trust or pension fund.

However, we have the right to reject an application on reasonable grounds.

Further, if we become aware of a US person (i.e. someone who has a USA address (permanent or mailing)) or US entity (i.e. a corporation, trust, partnership or other entity created or organised in or under the laws of the United States or any state thereof or any estate or trust the income of which is subject to United States Federal Income Tax regardless of source) holding units in the Fund, we may issue a notice to that Unit holder requiring the US person/ US entity to, within thirty (30) days, either withdraw the units or transfer the units to a non-US person or non-US entity.

We also have the right to withdraw all units held by you in the event we are of the opinion that such withdrawal is necessary to ensure that we comply with any relevant laws, regulations and guidelines. We will first notify you before making any such compulsory withdrawal of your units.

#### 3.4.2. How to invest?

You may invest through our head office after completing the relevant application forms and attaching a copy of your identity card, passport or any other identification document. We may request for additional supporting document(s) or information from you. On the application form, please indicate clearly the amount you wish to invest in the Fund. We may introduce other mode of investment from time to time, subject to the approval of the relevant authorities.

You may invest:

- by crossed cheque, banker's draft, money order or cashier's order (made payable as advised by us as the case may be). You will have to bear the applicable bank fees and charges, if any;
- directly from your bank account, where applicable;
- by such other mode of payment that we and/or the relevant authorities approve from time to time. Any charges, fees and expenses incurred in facilitating such mode of payment shall be borne by you. Such mode of payment is subject to further limit(s), restriction(s) and/or terms and conditions that we and/or the relevant authorities may impose from time to time.

#### 3.4.3. Can the units be registered in the name of more than one (1) Unit holder?

We may register units in the name of more than one (1) Unit holder but we have the discretion not to allow registration of more than two (2) joint Unit holders. All applicants must be at least eighteen (18) years of age and are Sophisticated Investor.

In the event of the demise of a joint Unit holder, whether Muslim or non-Muslim, only the surviving joint Unit holder will be recognized as the rightful owner. His/her units will be dealt with in accordance with the Deed and applicable laws and regulations.

**You are advised not to make payment in cash to any individual agent when purchasing units of a fund.**

### 3.5. MINIMUM INVESTMENTS

The minimum initial investment for the Fund is RM5,000 or such other amount as we may decide from time to time.

The minimum additional investment for the Fund is RM2,000 or such other amount as we may decide from time to time.

**Note:** You may request for a lower amount when purchasing units (or additional 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 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.

### 3.5.1. Processing an application

If we receive a complete application by 4:00 p.m. on a Business Day, we will process it using the NAV per unit for that Business Day. If we receive the application after 4:00 p.m. on a Business Day, we will process it using the NAV per unit for the next Business Day. We will only process the completed applications with all the necessary information. The number of units that you receive will be rounded down to two (2) decimal places.

## 3.6. MINIMUM WITHDRAWALS

The minimum withdrawal for the Fund is RM2,000 or such other amount as we may decide from time to time, unless you are withdrawing your entire investment. You may withdrawals can be made from the Fund by completing a withdrawal form and sending it to our head office. There is no restriction on the frequency of withdrawals. We will transfer the withdrawal proceeds to the bank account number provided by you.

**Note:** You may request for a lower amount or number of units when 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 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. For increase in the amount for minimum withdrawal, we will require concurrence from the Trustee and you will be notified of such changes before implementation.

### 3.6.1. Processing a withdrawal

If we receive a complete withdrawal request by 4:00 p.m. on a Business Day, we will process it using the NAV per Unit for that Business Day. If we receive the withdrawal request after 4:00 p.m. on a Business Day, we will process it using the NAV per Unit for the next Business Day. The amount that you will receive is calculated by the withdrawal value less the Withdrawal Fee, if any. You will be paid in RM within ten (10) calendar days of receipt of the complete withdrawal request. You will have to bear the applicable bank fees and charges, if any.

## 3.7. MINIMUM BALANCE

The minimum balance amount that must be retained in the Fund is RM5,000 or such other amount as we may decide from time to time. If the amount of an investment drops below RM5,000, further investments will be required until the balance of the investment is restored to at least the stipulated minimum balance amount. Otherwise, we may withdraw your entire investment and forward the proceeds to you.

**Note:** We may, 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 units for minimum balance, we will require concurrence from the Trustee and you will be notified of such changes before implementation.

## 3.8. COOLING-OFF PERIOD

You have six (6) Business Days after your initial investment (i.e. the date the complete application is received and accepted by us) 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. We will refund the investment amount including Application Fee (if any) to you within ten (10) 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. However, Principal Malaysia's staff and person(s) registered to deal in unit trust of Principal Malaysia are not entitled to the cooling-off right.

## 3.9. SWITCHING

You have the option to switch into any of Principal Malaysia's funds that allow switching of units. The switching is based on the value of your investments in the Fund, at the point of exercising the switch.

Switching will be conducted based on the value of your investment in the Fund. The minimum amount for a switch is subject to:

- For switching out of the Fund:
  - the minimum withdrawal applicable to the Fund;
  - the minimum balance required for the Fund, unless you are withdrawing from the Fund in entirety; and
  - the Withdrawal Fee of the Fund (if any).
- For switching into the Fund:
  - the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Fund; and
  - the Switching Fee applicable for the proposed switch (if any).

To switch, simply complete a switch request form and send to our head office. Currently, there is no restriction on the frequency of switches. You may negotiate to lower the amount for your switch with us. However, we have the discretion to allow or to reject any switching into (or out of) the Fund, either generally (for all Sophisticated Investor) or specifically (for any particular Sophisticated Investor or a group of Sophisticated Investors).

### 3.9.1. Processing a switch

We process a switch as a withdrawal from one fund and an investment into another fund within Principal Malaysia's fund. If we receive a complete switch request by 4:00 p.m. on a Business Day, we will process the switch-out using the NAV per unit for that Business Day. If we receive the request after 4:00 p.m. on a Business Day, we will process the switch-out using the NAV per unit for the next Business Day.

However, you should note that switch-in may be processed at a later Business Day, generally within one (1) Business Day but within four (4) Business Days if switched into a money market fund.

## 3.10. TRANSFER FACILITY

No transfer facility is available for the Fund.

## 3.11. TEMPORARY SUSPENSION

We and the Trustee may temporarily suspend the dealing in units of the Fund, subject to the SC Guidelines and/or the Deed. Please note that during the suspension period, there will be no NAV per unit available and hence, we will not accept any transactions for the applications, withdrawals, switches and/or transfers of units. If we have earlier accepted your request for withdrawals and switches of units, please note that there may be delay in processing those transactions and you will be notified accordingly. You will also be notified once the suspension is lifted.

## 3.12. DISTRIBUTION PAYMENT

Distribution (if any) will be made at the end of each distribution period according to the distribution policy. Each unit of the Fund will receive the same distribution for a distribution period regardless of when those units were purchased. The distribution amount you will receive is calculated by multiplying the total number of units held by you in the Fund with the distribution amount in cent per unit. On the distribution date, the NAV per unit will adjust accordingly. For more information on the distribution policy of the Fund, please see the "Fund Information" chapter.

All distributions (if any) will be automatically reinvested into additional units in the Fund at the NAV per unit on the distribution date (the number of units is rounded down to two (2) decimal places), unless written instructions to the contrary are communicated to us, in which you should have first furnished us with details of your bank account, that all distribution payment shall be paid into (the cost and expense will be borne by you). There will be no Application Fee for the reinvestment.

If units are issued as a result of the reinvestment of a distribution or other circumstance after you have withdrawn your investment from the Fund, those additional units will then be withdrawn and the proceeds will be paid to you. You should note that distribution payments, if any, will be paid into your bank account in our records (at your cost and expense).

**Note:** Please note that we have the right to make provisions for reserves in respect of distribution of the Fund. If the income available is too small or insignificant, any distribution may not be of benefit to you 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 you. We also have the discretion to make income distribution on an ad-hoc basis, taking into consideration the level of its realised income and/or realised gains, as well as the performance of the Fund.

## 3.13. UNCLAIMED MONEYS

Any moneys payable to you which remain unclaimed after twelve (12) months as prescribed by Unclaimed Moneys Act 1965 ("UMA") will be surrendered to the Registrar of Unclaimed Moneys by us in accordance with the requirements of the UMA. Thereafter, all claims need to be made by you with the Registrar of Unclaimed Moneys.

However, for income distribution payout to you by cheque, if any, which remains unclaimed for six (6) months will be reinvested into the Fund within thirty (30) business days after the expiry of the cheque's validity period based on the prevailing NAV per unit on the day of the reinvestment provided that you still hold units of the Fund. As for income distribution payout by bank transfer, if any, shall be transmitted to your valid and active bank account. If the bank transfer remained unsuccessful and unclaimed for six (6) months, it will be reinvested into the Fund within thirty (30) business days after the six (6) months period based on the prevailing NAV per unit on the day of the reinvestment provided that you still hold units of the Fund. No Application Fee is payable for the reinvestment. In the event that you no longer hold any unit in the Fund, the distribution money would be subject to the treatment mentioned in the above paragraph as prescribed by the UMA.

**Unit prices and distributions payable, if any, may go down as well as up.**

**We have the discretion to amend the amount, rate and/or terms and conditions of the transaction information herein, subject to the requirements stipulated in the Deed. Where necessary, we will notify the Trustee and communicate to you on the amendments to the transaction information.**

## 4. ADDITIONAL INFORMATION

### 4.1. FINANCIAL YEAR-END

31 December.

### 4.2. INFORMATION ON YOUR INVESTMENT

We will send you the following:

- Monthly statement of your account showing details of transactions and distributions (if any); and
- Quarterly report and annual report showing snapshots of the Fund and details of the portfolio for the respective period reported. Both the quarterly report and the annual report will be sent to you within two (2) months of the end of the period reported.

**The Fund's annual report is available upon request.**

### 4.3. TERMINATION OF FUND

The Fund may be terminated as proposed by us with the consent of the Trustee (which consent shall not be unreasonably withheld) by giving not less than three (3) months' notice in writing to the Unit holders as hereinafter provided:

- (i) if any law shall be passed which renders it illegal or in the opinion of the Manager impracticable or inadvisable to continue the Fund; or
- (ii) if in the reasonable opinion of that Manager it is impracticable or inadvisable to continue the Fund.

The Fund shall be terminated by Unit holders if a Special Resolution is passed at a Unit holders' meeting to terminate or wind-up the Fund.

### 4.4. RIGHTS, LIABILITIES AND LIMITATIONS OF UNIT HOLDERS

The money you have invested in the Fund will purchase a number of units, which represents your interest in the Fund. Each unit held by you in the Fund represents an equal undivided beneficial interest in the assets of the Fund. However, the unit does not give you an interest in any particular part of the Fund or a right to participate in the management or operation of the Fund (other than through Unit holders' meetings).

You will be recognised as a registered Unit holder in the Fund on the Business Day the details are entered onto the Register of Unit holders.

#### Rights

As a Unit holder, you have the right, among others, to the following:

- To inspect the Register, free of charge, at any time at our registered office, and obtain such information pertaining to its units as permitted under the Deed and SC Guidelines;
- To receive the distribution of the Fund (if any), participate in any increase in the capital value of the units and to other rights and privileges as set out in the Fund's Deed;
- To call for Unit holders' meetings under the following circumstances:
  - (i) to consider the most recent financial statements of the Fund;
  - (ii) to require the retirement or removal of us or Trustee;
  - (iii) to give to the Trustee such directions as the meeting thinks proper; or
  - (iv) to consider any other matter in relation to the Deed.
- To vote for the removal of the Trustee or us through a special resolution; and
- To receive annual reports or any other reports of the Fund.

Your rights may be varied by changes to the Deed, the SC Guidelines or judicial decisions or interpretation.

#### Liabilities

- (i) Your liability is limited to the purchase price per unit and Application Fee (if any) paid or agreed to be paid for a unit. You do not need to indemnify the Trustee or us if there is a deficiency in the assets of the Fund to meet the claim of any creditor of the Trustee or ours in respect of the Fund.
- (ii) The recourse of the Trustee, ours and any creditor is limited to the assets of the Fund.

#### Limitations

You cannot:

- (i) interfere with any rights or powers of ours and/or Trustee under the Deed;



- (ii) exercise a right in respect of an asset of the Fund or lodge a caveat or other notice affecting the asset of the Fund or otherwise claim any interest in the asset of the Fund; or
- (iii) require the asset of the Fund to be transferred to you.

**Note:** You may refer to the Deed for the full details of your rights.

#### 4.5. DOCUMENTS AVAILABLE FOR INSPECTION

You may inspect copies of the following documents or copies thereof in relation to the Fund (upon request) at our principal place of business and/or the business address of the Trustee (where applicable) without charge:

- The Deed;
- Information Memorandum and supplementary or replacement information memorandum, if any;
- Material contracts or documents referred to in this Information Memorandum;
- The latest annual and interim reports of the Fund; and
- The audited financial statements of the Manager and the Fund (where applicable) for the current financial year and for the last three (3) financial years or if less than three (3) years, from the date of incorporation or commencement.

#### 4.6. POTENTIAL CONFLICTS OF INTERESTS AND RELATED-PARTY TRANSACTIONS

We (including our directors) will at all time act in your best interests and will not conduct ourselves in any manner that will result in a conflict of interest or potential conflict of interest. In the unlikely event that any conflict of interest arises, such conflict shall be resolved so that the Fund is not disadvantaged. In the unlikely event that we face conflicts in respect of our duties as Manager to the Fund and to other Principal Malaysia's funds that we manage, we are obliged to act in the best interests of all our investors and will seek to resolve any conflicts fairly and in accordance with the Deed.

We shall not act as principal in the sale and purchase of any securities or investments to and from the Fund. We shall not make any investment for the Fund in any securities, properties or assets in which we or our officer has financial interest in or from which we or our officer derive a benefit, unless with the prior approval of the Trustee. We (including our directors) who hold substantial shareholdings or directorships in public companies shall refrain from any decision making relating to that particular investment of the Fund.

As at LPD, none of our directors and substantial shareholders has either direct or indirect interest in other corporations that carry on a similar business with Principal Malaysia, except for the following:

Director / Shareholder	Position	Shareholding (Direct / Indirect)	Name of corporation
CIMB Group Sdn Bhd	Shareholder	Direct	Principal Islamic Asset Management Sdn Bhd <i>(formerly known as CIMB-Principal Islamic Asset Management Sdn Bhd)</i>
		Indirect	CIMB-Mapletree Management Sdn Bhd

The Fund may maintain Islamic Deposits with CIMB Islamic Bank Berhad and CIMB Investment Bank Berhad. We may enter into transactions with other companies within the PFG and the CIMB Group provided that the transactions are effected at market prices and are conducted at arm's lengths.

We generally discourage cross trades and prohibit any transactions between client(s) accounts and fund accounts. Any cross trade activity require prior approval with the relevant supporting justification(s) to ensure the trades are executed in the best interest of both funds and such transactions were executed at arm's length. Cross trades will be reported to the Investment Committee to ensure compliance to the relevant regulatory requirements.

#### Trustee

As for the Trustee for the Fund, there may be related party transactions involving or in connection with the Fund in the following events:

- 1) where the Fund invests in instrument(s) offered by the related party of the Trustee (e.g. placement of monies, structured products, etc);
- 2) where the Fund is being distributed by the related party of the Trustee;
- 3) where the assets of the Fund are being custodised by the related party of the Trustee both as sub-custodian and/or global custodian of the Fund (Trustee's delegate); and
- 4) where the Fund obtains financing as permitted under the SC Guidelines, from the related party of the Trustee.

The Trustee has in place policies and procedures to deal with any conflict of interest situation, if any. The Trustee will not make improper use of its position as the owner of the Fund's assets to gain, directly or indirectly, any advantage or cause detriment to the interests of Unit holders. Any related party transaction is to be made on terms which are best available to the Fund and which are not less favourable to the Fund than an arms-length transaction between independent parties.

Subject to any local regulations, the Trustee and/or its related group of companies may deal with each other, the Fund or any unit holder or enter into any contract or transaction with each other, the Fund or any form of such contract or transaction or act in the same or similar capacity in relation to any other scheme.

#### **4.7. INTERESTS IN THE FUND**

Subject to any legal requirement, we or any of our related corporations, or any of our officers or directors, may invest in the Fund. Our directors will receive no payments from the Fund other than distributions that they may receive as a result of investment in the Fund. No fees other than the ones set out in this Information Memorandum have been paid to any promoter of the Fund, or the Trustee (either to become a Trustee or for other services in connection with the Fund), or us for any purpose.

#### **4.8. EMPLOYEES' SECURITIES DEALINGS**

We have in place a policy contained in our Rules of Business Conduct, which regulates our employees' securities dealings. All of our employees are required to declare their securities trading annually to ensure that there is no potential conflict of interest between the employees' securities trading and the execution of the employees' duties to us and our customers.

# 5. THE MANAGER

## 5.1. ABOUT 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 CMSA and specialises in managing and operating unit trusts for investors, both institutional and retail. Principal Malaysia's responsibilities include managing investment portfolios by providing fund management services to insurance companies, pension funds, unit trust companies, corporations and government institutions in Malaysia. In addition, Principal Malaysia is an approved private retirement scheme provider in Malaysia. It originally commenced its operations as a unit trust company in November 1995. As at LPD, Principal Malaysia has more than 23 years of experience in the unit trust industry. The shareholders of the company are PIA and CIMB Group.

PIA is a private company incorporated in Hong Kong and its principal activity is the provision of consultancy services to other PFG group of companies. PIA is a subsidiary of the PFG, which was established in 1879 and is a diversified global financial services group servicing more than 15 million customers.

CIMB Group is one of ASEAN's leading universal banking groups and is Malaysia's second largest financial services provider, by assets. It offers consumer banking, commercial banking, investment banking, Islamic banking and asset management products and services. Headquartered in Kuala Lumpur, CIMB Group is present in all 10 ASEAN nations and has market presence in China, Hong Kong, India, Sri Lanka, Korea, US and UK. CIMB Group is listed on Bursa Malaysia and has a market capitalisation of approximately RM54.6 billion, around 36,000 employees and around 800 branches, as at 31 December 2018.

The primary roles, duties and responsibilities of Principal Malaysia as the Manager of the Fund include:

- maintaining a register of Unit holders;
- implementing the appropriate investment strategies to achieve the Fund's investment objective;
- ensuring that the Fund has sufficient holdings in liquid assets;
- arranging for the sale and repurchase of units;
- calculating the amount of income to be distributed to Unit holders, if any; and
- maintaining proper records of the Fund.

As at LPD, there is no litigation or arbitration proceeding current, pending or threatened against or initiated by Principal Malaysia nor are there any fact likely to give rise to any proceeding which might materially affect the business/financial position of Principal Malaysia.

### 5.1.1. Designated person responsible for fund management function

<b>Name:</b>	Patrick Chang Chian Ping
<b>Designation:</b>	Chief Investment Officer, Malaysia
<b>Experience:</b>	Patrick Chang joined Principal Malaysia on 22 February 2016 and currently holds the positions of CIO Malaysia and CIO Equities, ASEAN Region effective 1 October 2018. He comes with more than 18 years of experience in asset management and is backed by numerous ASEAN awards from Malaysian pension funds in 2013 and 2015. He was previously the Head of ASEAN equities at BNP Paribas Investment Partners, Malaysia where he oversees ASEAN equities for both Malaysian and offshore clients from 2012. Prior to that, he served as Senior Vice President for Principal Malaysia where he specialized in Malaysia, ASEAN and Asia specialist funds. He also worked as a portfolio manager at Riggs and Co International Private Banking in London specializing in managing global ETF portfolios and holds the Capital Markets Services Representative License.
<b>Qualifications:</b>	MSc Finance from City University Business School and BSc Accounting and Financial Analysis from University of Warwick, UK.

**Note:** For more and/or updated information, please refer to our website at <http://www.principal.com.my>.

# 6. SHARIAH ADVISER OF THE FUND

## 6.1. ABOUT AMANIE ADVISORS SDN BHD

Amanie Advisors Sdn Bhd is a Shariah advisory, consultancy, training and research and development boutique for institutional and corporate clientele focusing on Islamic financial services. It has been established with the aim of addressing the global needs for experts and Shariah scholars' pro-active input. One of the first global boutique Shariah advisory houses for Islamic Finance, Amanie was founded in 2005 by internationally renowned Shariah scholar Datuk Dr Mohd Daud Bakar. The company is led by Datuk Dr. Mohd Daud Bakar and teamed by an active and established panel of consultants covering every aspect related to the Islamic banking and finance industry both in Malaysia and the global market. Currently, the team comprises of eight (8) full-time consultants who represent dynamic and experienced professionals with a mixture of Shariah law, corporate finance, accounting, product development, and education. Amanie is also a registered Shariah Adviser (Corporation) with the SC. As at LPD, Amanie has acquired more than fourteen (14) years of experience in the advisory role of unit trusts and has advised more than 170 funds locally and globally.

As the appointed Shariah Adviser for the Fund, the roles and responsibilities of Amanie include:

- Review and provide Shariah expertise and professional guidance as well as suggest relevant changes to all relevant documents relating to Shariah principles including the Fund's deed, information memorandum and/or other relevant submission documents submitted by us for purposes of submission to any relevant authority to ascertain compliance to Shariah principles.
- Where relevant, prepare a report to be issued in the name of the Shariah Scholar Datuk Dr Mohd Daud Bakar to be included in the Fund's report interim and annual report certifying whether the Fund has been managed and administered in accordance with Shariah principles for the period concerned.
- To advise on the breach of Shariah investment guidelines and purification/cleansing of cash dividends.
- To advise on any other matter pertaining to Shariah issues in relation to the Fund.
- Ensure that the Fund is managed and administered in accordance with the Shariah principles at all times by reviewing the investment process and other operational matters.
- Review the relevant Fund marketing and promotional documents submitted by us with the view to ascertain compliance to Shariah principles.
- To review and scrutinize the Fund's compliance report as provided by the compliance officer, and investment transaction reports provided by, or approved by the relevant responsible party to ensure that the Fund's investment are in line with Shariah principles.
- To undertake an annual compliance review of the Fund for purpose of issuance of an annual compliance report.

Amanie will meet us every quarterly to address Shariah advisory matters pertaining to the Islamic funds. An annual Shariah certificate will also be issued for the Fund at the financial year end. Also, Amanie reviews our portfolio based on the frequency as follows:

- Equity fund on a monthly basis
- Money market/ fixed income fund on a quarterly basis
- ETF on a quarterly basis

Currently, the designated person responsible for Shariah advisory matters of the Fund is Datuk Dr. Mohd Daud Bakar as the Executive Chairman. Currently, other consultants are:

- Suhaida Mahpot
- Ahmad Anas Fadzil
- Nurul Liyana Kasman
- Muhammad Hafizuddin Abd. Hamid

### 6.1.1. Designated person responsible for Shariah Adviser function

<b>Name:</b>	Datuk Dr. Mohd Daud Bakar
<b>Designation:</b>	Executive Chairman, Amanie Advisors Sdn Bhd
<b>Experience:</b>	<p>Datuk Dr. Mohd Daud Bakar is the Founder and Executive Chairman of Amanie Group. One of its flagship companies namely Amanie Advisors, is operating in few cities globally. He currently serves as the Chairman of the Shariah Advisory Council at the Central Bank of Malaysia, the Securities Commission of Malaysia, the Labuan Financial Services Authority, the First Abu Dhabi Bank, and Permodalan Nasional Berhad. He is also a Shariah board member of various global financial institutions, including the National Bank of Oman (Oman), Amundi Asset Management (France), Bank of London and Middle East (London), BNP Paribas Najma (Bahrain), Natixis Bank (Dubai), Oasis Asset Management (South Africa), Noor Islamic Bank (Dubai), Morgan Stanley (Dubai), Sedco Capital (Saudi and Luxembourg), and Dow Jones Islamic Market Index (New York) amongst many others.</p> <p>In the corporate world, Datuk sits as a Board Director at Sime Darby Property Berhad and a member of the PNB Investment Committee. He was recently appointed as a Chairman to Malaysia Islamic Economic Development Foundation (YaPEIM). He is also the third Chair Professor in Islamic Banking and Finance of Yayasan Tun Ismail Mohamed Ali Berdaftar (YTI) PNB at Faculty of Economics and Muamalat, Universiti Sains Islam Malaysia (USIM). In addition, he is the co-founder of Experts Analytics Centre Sdn Bhd and MyFinb, as well as the Editor-in-Chief of Malaysian Business.</p>

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<b>Qualifications:</b>	Prior to this, Datuk was the Deputy Vice-Chancellor at the International Islamic University Malaysia. He received his first degree in Shariah from University of Kuwait in 1988 and obtained his PhD from University of St. Andrews, United Kingdom in 1993. In 2002, he completed his external Bachelor of Jurisprudence at University of Malaya.
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**Note:** *We have obtained the necessary consent and confirmation from each of the relevant parties with regards to the information disclosed in this section. For more and/or updated information about Shariah Adviser, please refer to our website at <http://www.principal.com.my> and/or Shariah Adviser's website at <http://amanieadvisors.com>.*

# 7. THE TRUSTEE

## 7.1. ABOUT PB TRUSTEE SERVICES BERHAD

**PB Trustee Services Berhad** was incorporated on 24 August 1968 and commenced its operations on 22 January 1969, with its registered and business office at 17th Floor, Menara Public Bank, 146 Jalan Ampang, 50450 Kuala Lumpur. The Trustee has an authorized share capital of RM1,050,000 and a paid-up share capital of RM525,000.

The Trustee's experience in trustee business has expanded over the past 40 years since its incorporation in 1968. It currently manages various types of funds in its capacity as trustee. These include corporate bonds, writing of wills, management of estates, trusteeship for golf clubs, recreational clubs and time sharing schemes. The Trustee is also acting as a custodian in its capacity.

The Trustee's main functions are to act as trustee and custodian of the assets of the Fund and to safeguard the interests of the Unit holders of the Fund. They shall:

- act in accordance with the provisions of the Deed, the CMSA and the SC Guidelines;
- take into its custody the investments of the Fund and hold the investments in trust for the Unit holders;
- ensure that the Manager operates and administers the Fund in accordance with the provisions of the Deed, the CMSA, the SC Guidelines and acceptable business practice within the unit trust industry;
- ensure that it is fully informed of the investment policies of the Fund and of any changes made thereto, and if it is of the opinion that the policies are not in the interests of the Unit holders, it shall instruct the Manager to take appropriate action as the Trustee deems fit and/or summons a Unit holders' meeting for the purpose of giving such instructions to the Manager as the meeting thinks proper;
- as soon as practicable notify the SC of any irregularity or an actual or anticipated material breach of the provisions of the Deed, the SC Guidelines and any other matters which in the Trustee's opinion may indicate that the interests of Unit holders are not being served;
- exercise due care, skill, diligence and vigilance in carrying out its functions and duties, in actively monitoring the administration of the Fund by the Manager and in safeguarding the interests of Unit holders;
- maintain, or cause the Manager to maintain, proper accounting and other records in relation to those rights and interests, and of all transactions effected by the Manager on account of the Fund; and
- cause those accounts to be audited at least annually by an approved company auditor appointed by the Trustee and send or cause those accounts to be sent to Unit holders within two (2) months of the relevant accounting period.

### 7.1.1. Trustee's Disclosure of Material Litigation

As at LPD, the Trustee is not engaged in any material litigation and arbitration, including those pending or threatened and is not aware of any facts likely to give any proceedings which might materially affect the business/financial position of Trustee and any of the Trustees or any of its delegates.

**Note:** *We have obtained the necessary consent and confirmation from each of the relevant parties with regards to the information disclosed in this section.*

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**Principal Asset Management Berhad** (304078-K)  
*(formerly known as CIMB-Principal Asset Management Berhad)*

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