

Prospectus

14 April 2023

Principal DALI Opportunities Fund

Manager : Principal Asset Management Berhad (199401018399 (304078-K))

Trustee : HSBC (Malaysia) Trustee Berhad (193701000084 (1281-T))

THIS IS A REPLACEMENT PROSPECTUS. THIS PROSPECTUS IS ISSUED TO REPLACE AND/OR SUPERSEDE THE PROSPECTUS ISSUE NO. M4 OF THE PRINCIPAL DALI OPPORTUNITIES FUND DATED 23 AUGUST 2019.

This Prospectus Issue No.M5 for the Principal DALI Opportunities Fund is dated 14 April 2023.

This Fund was constituted on 16 January 2008.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE “RISK FACTORS” COMMENCING ON PAGE 7.

THIS FUND IS A MULTI-CLASS FUND AND IS ALLOWED TO ESTABLISH NEW CLASS(ES) FROM TIME TO TIME AS MAY BE DETERMINED BY THE MANAGER.

AS THIS FUND IS A QUALIFYING CIS UNDER THE ASEAN CIS FRAMEWORK, INVESTORS SHOULD NOTE THAT THERE ARE CLASSES OF THE FUND THAT MAY BE OFFERED TO INVESTORS IN OTHER COUNTRIES THAT PARTICIPATE IN THE ASEAN CIS FRAMEWORK.

ABOUT THIS DOCUMENT

This is a Prospectus which introduces you to Principal Malaysia and the Fund. This Prospectus outlines in general the information you need to know to make an informed decision as to whether the Fund best suits your financial needs.

If you have any questions about the information in this Prospectus or would like to know more about investing in the Principal Malaysia family of unit trust funds, please contact our Customer Care Centre under the “Corporate Directory” section during business hour between 8:45 a.m. and 5:45 p.m. (Malaysian time) from Mondays to Fridays.

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notices, legislations or statutes for the time being in force, as may be amended, varied, modified, updated, superseded and/or re-enacted from time to time.

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

Please note that all references to currency amounts and NAV per unit in this Prospectus are in MYR unless otherwise indicated.

PROSPECTUS DETAILS

Issue No.	M5
Prospectus Date	14 April 2023

RESPONSIBILITY STATEMENTS

This Prospectus has been reviewed and approved by the directors of Principal Malaysia and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in this Prospectus false or misleading.

STATEMENTS OF DISCLAIMER

The Securities Commission Malaysia has authorised the Fund and a copy of this Prospectus has been registered with the Securities Commission Malaysia.

The authorisation of the Fund, and registration of this Prospectus, should not be taken to indicate that the Securities Commission Malaysia recommends the Fund or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Prospectus.

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

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.

ADDITIONAL STATEMENTS

You should note that you may seek recourse under the *Capital Markets and Services Act 2007* for breaches of securities laws including any statement in the Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the Prospectus or the conduct of any other person in relation to the Fund.

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

DEFINITIONS

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

Application Fee	- Preliminary charge on each investment.
ASEAN	- Association of Southeast Asian Nations.
ASEAN CIS Framework	- Framework for cross-border public offers of Qualifying CIS.
Bloomberg	- Bloomberg LP.
BNM	- Bank Negara Malaysia.
Business Day	- Mondays to Fridays when Bursa Malaysia Securities Berhad is open for trading, and/or banks in Kuala Lumpur and/or Selangor are open for business.
CIMB Group	- CIMB Group Sdn. Bhd.
CIS	- Refers to collective investment schemes as defined under the GUTF.
Class	- Any class of units representing similar interest in the assets of the Fund.
Class MYR	- The Class issued by the Fund denominated in MYR. This Class is only offered for sale in Malaysia.
CMSA	- Capital Markets and Services Act 2007.
DALI	- Dana Al-Ihsan.
Deed	- The principal deed and all supplemental deed in respect of the Fund made between us and the Trustee, in which Unit holders agree to be bound by the provisions of the Deed.
Distributor	- Any relevant persons and bodies appointed by Principal Malaysia from time to time, who are responsible for selling units of the Fund, including Principal Distributors and IUTAs.
Eligible Market	- An exchange, government securities market or an OTC market that is regulated by a regulatory authority of that jurisdiction, that is of good repute, that is open to the public or to a substantial number of market participants, and on which financial instruments are regularly traded.
EPF	- Employees Provident Fund.
EPF-MIS	- Employees Provident Fund Members Investment Scheme.
ETF	Exchange-Traded Fund.
FTSE	- Financial Times Stock Exchange.
Fund or DALI3	- Principal DALI Opportunities Fund.
GUTF	- Guidelines on Unit Trust Funds issued by the SC.
Home Jurisdiction	- Means the jurisdiction in which the Qualifying CIS is constituted or established, and approved by the competent securities regulator of that jurisdiction for offer to the public in that jurisdiction.
Host Jurisdiction	- Means a jurisdiction (other than the Home Jurisdiction) in which the Qualifying CIS is offered or to be offered to the public in that jurisdiction.
Home Regulator	- Means the securities regulator of the Home Jurisdiction.
Host Regulator	- Means the securities regulator of the Host Jurisdiction.
IMS	- Investment Management Standards issued by the Federation of Investment Managers Malaysia.
Islamic Deposits	- As per the definition of "Islamic deposit" in the Islamic Financial Services Act 2013. Note: To exclude Islamic structured deposits.
IUTAs	- Refers to Institutional Unit Trust Scheme Adviser, a corporation registered with Federation of Investment Managers Malaysia and authorised to market and distribute unit trust schemes of another party.
LPD	- Latest Practicable Date i.e. 30 November 2022, in which all information provided herein shall remain current and relevant as at such date.
Long-term	- Refers to a period of five (5) years or more.
Management Fee	- A percentage of the NAV of the Class that is paid to us for managing the portfolio of the Fund.
MCR	- Multi-class ratio, being the apportionment of the NAV of each Class over the Fund's NAV based on the size of each Class. The MCR is calculated by dividing the NAV of the respective Class by the NAV of the Fund before income and expenses for the day, save and except those expenses that are related to the specific Class only. The apportionment is expressed as a ratio and calculated as a percentage.

medium-term	- Refers to a period of three (3) years.
MYR	- Malaysian Ringgit.
NAV	- Net Asset Value.
NAV of the Fund	- The value of all the Fund's assets less the value of all the Fund's liabilities, at the point of valuation. For the purpose of computing the annual Management Fee (if any) and annual Trustee Fee (if any), the NAV of the Fund should be inclusive of the Management Fee and Trustee Fee for the relevant day. The NAV of a Class is the NAV of the Fund attributable to a Class at the same valuation point.
NAV per unit	- The NAV attributable to a Class divided by the number of units in circulation for that Class, at the valuation point.
OTC	- Over-the-counter.
PFG	- Principal Financial Group, Inc.
Principal Distributors	- Refers to the authorised unit trust scheme consultants registered with Principal Malaysia.
Principal Malaysia or the Manager	- Principal Asset Management Berhad
Prospectus	- Refers to this document issued by us describing the details of the Fund.
Qualifying CIS	- Means a CIS constituted or established in its Home Jurisdiction which has been approved by its Home Regulator for offer to the public in the Home Jurisdiction, and assessed by its Home Regulator as suitable to apply to a Host Regulator for its units to be offered to the public cross-border in the Host Jurisdiction pursuant to the ASEAN CIS Framework.
RSP	- Regular Savings Plan.
SAC	- Shariah Advisory Council.
SC	- Securities Commission Malaysia.
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 ijthihad 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.
Signatory Country	- Any countries that participate in the ASEAN CIS Framework.
S&P	- Standard & Poor's Rating Services.
Special Resolution	- A resolution passed by a majority of not less than 3/4 of Unit holders of the Fund or a Class, as the case may be voting at a meeting of Unit holders. For the purpose of terminating or winding up the Fund or a Class, a Special Resolution is passed by a majority in number representing at least 3/4 of the value of the units held by Unit holders of the Fund or a Class, as the case may be, voting at the meeting.
Standards of Qualifying CIS	- Means the set of common standards set out under the Standards of Qualifying CIS which will govern cross border offering of CIS in ASEAN and shall include any handbook, practice note, regulation, directive or requirement issued pursuant thereto or by the regulators and signatories of the said common standards and includes any amendment, modification, alteration, consolidation or re-enactment made thereto or for the time being in force.
Sukuk	- Refers to certificates of equal value which evidence undivided ownership or investment in the assets using Shariah principles and concepts. Note: For local Sukuk, it must also comply with Shariah principles and concepts endorsed by the SAC of SC
Switching Fee	- A charge that may be levied when switching is done from one (1) fund or class to another.
Transfer Fee	- A nominal fee levied for each transfer of units from one (1) Unit holder to another.
Trustee	- HSBC (Malaysia) Trustee Berhad.
Trustee Fee	- A percentage of the NAV of the Fund that is paid to the Trustee for its services rendered as trustee for the Fund.
UK	- United Kingdom.
Unit holder	- The registered holder for the time being of a unit of the Fund including persons jointly so registered.
USA	- United States of America.
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.*

CORPORATE DIRECTORY

The Manager

Principal Asset Management Berhad

Business address

10th Floor Bangunan CIMB
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur MALAYSIA
Tel : (603) 2084 8888

Registered address

8th Floor Bangunan CIMB
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur MALAYSIA
Tel : (603) 2084 8888

Customer Care Centre

Ground Floor Bangunan CIMB
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur MALAYSIA
Tel : (603) 7723 7260
Fax : (603) 7718 3003
Whatsapp : (6016) 299 9792

Website

www.principal.com.my

E-mail

service@principal.com.my

Shariah Adviser of the Fund

Amanie Advisors Sdn Bhd

Business address

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50400 Kuala Lumpur MALAYSIA
Tel : (603) 2161 0260
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E-mail : info@amanieadvisors.com
Website : www.amanieadvisors.com

Registered address

Unit 11-3A,
3rd Mile Square, No. 151,
Jalan Klang Lama Batu 3 ½
58100 Kuala Lumpur MALAYSIA

The Trustee

HSBC (Malaysia) Trustee Berhad

Business/Registered address

Level 19, Menara IQ, Lingkaran TRX
55188 Tun Razak Exchange
Kuala Lumpur MALAYSIA
Tel : (603) 2075 7800
Fax : (603) 8894 2611
E-mail : fs.client.services.myh@hsbc.com.my

Note: You may refer to our website for an updated information on our details.

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1. FUND INFORMATION

1.1. PRINCIPAL DALI OPPORTUNITIES FUND

- Fund Category/Type** : Equity (Shariah-compliant) / Growth.
- Investment Objective** : Aims to provide investors with medium to long-term capital appreciation through investments in securities of Malaysian companies that will benefit from prevailing investment themes and that conform with Shariah principles.
- We will require your approval if there is any material change to the Fund's investment objective.*
- Benchmark** : FTSE Bursa Malaysia EMAS Shariah Index.
- Note:** *The Fund's benchmark is for performance comparison purpose only. You should note that the risk profile of the Fund is not the same as the risk profile of the benchmark. Information on the benchmark can be obtained from www.bursamalaysia.com.*
- Distribution Policy** : The distribution policy of each of the Class may differ. Please refer to the Annexure of the respective Class for more information. You may also refer to page 19 for information on the distribution payment.

Base Currency and Classes

The base currency of the Fund is MYR.

Please note that the Fund is established as a multi-class fund where the Deed allows for the establishment of more than one (1) Class with similar interests in the assets of the Fund. You should note that the Fund is allowed to establish new Class(es) from time to time without your prior consent.

Under the Deed, Unit holders of each Class shall have the same rights and obligations. Each Class may be different in terms of currency denomination, fees and charges, and hence, will have its respective NAV per unit, denominated in its respective currency taking into account the aforementioned features. Although the Fund has multiple Classes, Unit holders should note that the assets of the Fund are pooled for investment purpose.

As this Fund is a Qualifying CIS under the ASEAN CIS Framework, there are Classes that may be offered to investors in other countries that participate in the ASEAN CIS Framework. Application for investment in certain Classes may only be made available to investors in certain countries. We have the discretion to decide on the offering of any Classes in any participating countries.

Currently, the Classes below are available for sale in Malaysia. Please refer to the Annexure for further details on the Class(es). You should note that we have the discretion to decide on the offering of other Classes for sale in the future and a supplemental or replacement prospectus will be issued. This information will be communicated to you via our website at www.principal.com.my. When in doubt, you should consult professional advisers for a better understanding of the multi-class structure before investing in the Fund.

Name of Class	Launch Date
Class MYR	28 February 2008

Investment Policy and Principal Investment Strategy

The strategy of the Fund is to invest in sectors that are related to the prevailing domestic and/or global investment themes. In identifying the investment themes, we will consider prevailing and potential macroeconomic factors and trends, social and political developments as well as technological advances that may reveal specific thematic investment opportunities. We may revise our outlook on the investment themes during our monthly reviews. You will be informed of the prevailing investment themes that the Fund is focusing on via the Fund's monthly fact sheet which is available on our website at www.principal.com.my.

The Fund's sector allocation will be actively managed by us, where we have the option to aggressively overweight preferred sectors to take advantage of our market outlook. Sector analysis is done through quantitative and qualitative approaches. In determining the sector allocation and stock selection, we will focus on the following:

- identify the potential sector(s) in light of the prevailing domestic and/or global investment themes;
- study impact of the prevailing economic and political conditions;
- select particular sectors based on the growth prospects and valuation of that sector. The most promising sectors will be chosen according to their rating levels as per the sector analysis;
- invest in stocks of Malaysian companies in the chosen sectors based on the stocks' potential for appreciation relative to the outlook for that sector. However, we may, at our discretion, overweight or underweight at stock level if it is beneficial to the Fund; and
- review sector and stock picks monthly. Depending on prevailing market conditions, we may revise the sector allocation and maintain, add or omit certain stocks during its monthly review.

We will only select securities that conform with Shariah principles and may opt to invest in these Shariah-compliant securities either directly or via Islamic CIS. With effect from 14 April 2023, the Fund may invest up to 25% of its NAV in companies that are listed in any Eligible Market globally with some operations or businesses in Malaysia to capture growth opportunities.

The asset allocation strategy for this Fund is as follows:

- at least 70% of the Fund's NAV will be invested in equities that conform with Shariah principles;
- up to 28% of the Fund's NAV may be invested in other permissible Shariah-compliant investments; and
- at least 2% of the Fund's NAV will be invested in Islamic liquid assets for liquidity purposes.

As part of its risk management strategy, the Fund is constructed and managed within guidelines. We employ an active asset allocation strategy depending upon the equity market expectations. Where appropriate, we will also employ an active trading strategy with frequency that will depend on the market conditions and the market outlook.

The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:

- Regular review by the designated fund manager on the Fund's investment portfolio including its liquidity level.
- Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of Unit holders. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet Unit holders' withdrawal requests.
- Suspension of withdrawal requests due to exceptional circumstances e.g. a substantial part of the Fund's asset value cannot be (accurately) determined. During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. The action to suspend withdrawal requests from Unit holders shall be exercised only as a last resort by the Manager.

Note: Please refer to Section 3.11 for more information.

We may lower down the equity exposure when we feel that the equity market is close to its peak in term of valuations, and/or the market condition is unfavourable. In such circumstances, we may take a temporary defensive position by either (1) reducing the Fund's proportion of higher risk assets, such as Shariah-compliant equities and increase the asset allocation to lower risk assets, such as Sukuk and Islamic liquid assets, to safeguard the investment portfolio of the Fund and/or (2) investing in Shariah-compliant stocks that have low correlation to market movements. When deemed necessary, we may also utilize Islamic derivative instruments, subject to the GUTF and Standards of Qualifying CIS, for the purpose of hedging. In the event of a downgrade of a counterparty of an OTC Islamic derivative below the minimum long-term rating as per the GUTF and Standards of Qualifying CIS, we reserve the right to deal with the OTC Islamic derivative in the best interest of the Unit holders.

If the Fund is an EPF-MIS approved fund, the investments made by the Fund will be subject to the EPF's requirements. Please note that there may be changes to the status of the eligibility of the Fund under the EPF-MIS from time to time. You may refer to our website at www.principal.com.my or www.kwsp.gov.my for updated information.

1.2. PERMITTED INVESTMENTS

Subject to the Deed, the investment policy for the Fund and the requirements of the SC and any other regulatory body, we have the absolute discretion as to how the assets of the Fund are to be invested. Under the Deed and provided always that there are no inconsistencies with the objective of the Fund, the Fund can invest in a wider range of securities, including but not limited to the following:

- Shariah-compliant equities and Sukuk dealt in and traded in or under the rules of an Eligible Market;
- Shariah-compliant warrants that carry the right in respect of a security traded in or under the rules of an Eligible Market;
- Unlisted Shariah-compliant equities including Shariah-compliant equities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing or quotation and are offered directly to the Fund by the issuer;
- Islamic Deposits and Islamic money market instruments;
- Islamic derivative instruments, including but not limited to Islamic options, Islamic futures contracts, Islamic forward contracts and Islamic swaps;
- All types of Islamic CIS which comply with the requirements of the GUTF and the Standards of Qualifying CIS; and
- Any other form of Shariah-compliant investments as may be permitted by the SC from time to time that is in line with the Fund's objective.

Provided always that the permitted investments as set out above shall at all times conform with the requirements of the Shariah and the advice of the Shariah adviser for the time being appointed by the Manager.

The formulation of the investment policies and strategies of the Fund is based on the objective of the Fund after taking into consideration the regulatory requirements outlined in the GUTF and the ASEAN CIS Framework (with such exemptions/variations (if any) as approved by the SC), with the approval of the Shariah Adviser where applicable.

1.3. INVESTMENT RESTRICTIONS AND LIMITS

The Fund is subject to the following investment restrictions and limits that are structured in accordance with the regulatory requirements outlined in the GUTF and the Standards of Qualifying CIS:

- 1) Shariah-compliant transferable securities and Islamic money market instruments held by the Fund must be dealt in and traded in or under the rules of an Eligible Market;
- 2) The aggregate value of the Fund's investment in Shariah-compliant transferable securities or Islamic money market instruments issued by a single issuer must not exceed 10% of the Fund's NAV;
- 3) The value of the Fund's placement in Islamic Deposits with any single investment grade financial institution must not exceed 20% of the Fund's NAV;
- 4) The single financial institution limit in clause 3 does not apply to placements of Islamic Deposits arising from:
 - (a) Subscription monies received prior to the commencement of investment by the Fund; or
 - (b) Liquidation of investments prior to the termination of the Fund, where the placement of Islamic Deposits with various financial institutions would not be in the best interests of Unit holders;
- 5) In the case where the Fund invested in the following assets, the limit in clause 2 and clause 3 above is lowered to 5%:
 - (a) Islamic Deposits placed with unrated or non-investment grade financial institution;
 - (b) Sukuk or Islamic money market instruments not dealt in an Eligible Market or issued by an unrated or non-investment grade issuing body; and
 - (c) unlisted Shariah-compliant equities.

Notwithstanding clause 5(b), we may rely on the rating of an unrated or non-investment grade issuer's parent company or guarantor provided that an explicit guarantee by the parent company or the guarantor for the issuer is in place;

- 6) The aggregate value of the Fund's investment in Shariah-compliant transferable securities, Islamic money market instruments, Islamic Deposits and OTC Islamic derivatives issued by or placed with (as the case may be) any single business group, must not exceed 20% of the Fund's NAV. For the purpose of this clause, a business group refers to a body, its subsidiaries, fellow subsidiaries, holding body, and ultimate holding body;
- 7) The Fund may invest up to 35% of the Fund's NAV in aggregate in Sukuk or Islamic money market instruments issued by a single body if the issuing body or the guarantor of the Sukuk or Islamic money market instruments is a government or sovereign or central bank with a minimum long-term credit rating of investment grade (including gradation and subcategories) by an international rating agency;
- 8) The aggregate value of the Fund's investment in Islamic Deposits placed with unrated or non-investment grade financial institution, Sukuk or Islamic money market instruments not dealt in an Eligible Market or issued by an unrated or non-investment grade issuing body, Islamic CIS that do not comply with paragraphs 6.11(a), (b) and (c) of the GUTF, unlisted Shariah-compliant equities and OTC Islamic derivatives with non-investment grade or unrated counterparty must not exceed 15% of the Fund's NAV subject to a maximum limit of 10% of the Fund's NAV in a single issuer or single Islamic CIS, as the case may be. For the purpose of this clause, the limit does not apply to Islamic Deposits, Sukuk, Islamic money market instruments or OTC Islamic derivatives where the:
 - (a) financial institution, issuing body or counterparty is rated investment grade only with a national rating scale; and
 - (b) the jurisdiction in which the issuing body or counterparty is domiciled has a sovereign credit rating that is at least investment grade;
- 9) The value of the Fund's investment in units of each Qualifying CIS or non-Qualifying CIS must not exceed 10% of the Fund's NAV;
- 10) The value of the Fund's investment in units of all non-Qualifying CIS (excluding investment in units of non-Qualifying CIS that are listed for quotation and traded on an organised exchange in a Signatory Country with underlying assets of real estate and/or real estate-related) must not exceed 20% of the Fund's NAV;
- 11) The Fund's investments in Islamic CIS must not exceed 25% of the units in any one Islamic CIS. Where the Fund invests in units in other Islamic CIS operated by us or our related corporation, we must ensure that–
 - (a) there is no cross-holding between the Fund and the target fund;
 - (b) all initial charges on the target fund is waived; and
 - (c) the Management Fee must only be charged once, either at the Fund or the target fund;
- 12) The aggregate value of the Fund's financing for the purpose of meeting repurchase request for units and for short-term bridging requirements should not exceed 10% of the Fund's NAV at the time the financing is incurred. Credit balances of the Fund (e.g. cash holdings) may not be offset against financings when determining the percentage of financings outstanding. For the purpose of this clause, we should ensure that–
 - (a) the Fund's cash financing is only on a temporary basis and that financings are not persistent;
 - (b) the financing period should not exceed one month; and
 - (c) the Fund may only obtain financing from financial institutions;
- 13) The Fund's investments in Shariah-compliant equities or Shariah-compliant securities equivalent to equities must not exceed 10% of the Shariah-compliant equities or Shariah-compliant securities equivalent to equities issued by any single issuer;
- 14) The Fund's investments in Sukuk must not exceed 10% of the Sukuk issued by any single issuer;
- 15) The Fund's investments in Islamic money market instruments must not exceed 10% of the Islamic money market instruments issued by any single issuer; and
- 16) For investments in Islamic derivatives (for hedging purpose):
 - (a) the Fund's global exposure from Islamic derivatives positions should not exceed the Fund's NAV;
 - (b) the exposure to the underlying assets must not exceed the investment spread limits stipulated in the GUTF;
 - (c) the maximum exposure of the Fund's OTC Islamic derivative transaction with the counterparty, calculated based on the method below must not exceed 10% of the Fund's NAV;
 - (d) the counterparty of an OTC Islamic derivative is a financial institution with a minimum long-term credit rating of investment grade (including gradation and subcategories); and
 - (e) Where the underlying instrument of an Islamic derivative is a commodity, such Islamic derivative must be settled in cash at all times.

Calculation of exposure to counterparty of OTC Islamic derivatives

- (a) The exposure to a counterparty of an OTC Islamic derivative must be measured based on the maximum potential loss that may be incurred by the Fund if the counterparty defaults and not on the basis of the notional value of the OTC Islamic derivative.
- (b) The total exposure to a single counterparty is calculated by summing the exposure arising from all OTC Islamic derivative transactions entered into with the same counterparty.

The global exposure of the Fund is calculated based on the following:

Commitment approach

The global exposure of the Fund to Islamic derivatives is calculated as the sum of the:

- absolute value of the exposure of each individual Islamic derivative not involved in netting or hedging arrangements;
- absolute value of the net exposure of each individual Islamic derivative after netting or hedging arrangement; and
- the values of cash collateral received pursuant to:
 - (i) the reduction of exposure to counterparties of OTC Islamic derivatives; and
 - (ii) efficient portfolio management techniques relating to securities lending (if applicable).

Netting arrangements

Netting arrangements may be taken into account to reduce the Fund's exposure to Islamic derivatives.

The Fund may net positions between:

- (a) Islamic derivatives on the same underlying constituents, even if the maturity dates are different; or
- (b) Islamic derivatives and the same corresponding underlying constituents, if those underlying constituents are Shariah-compliant transferable securities, Islamic money market instruments, or units or shares in Islamic CIS.

Hedging arrangements

Hedging arrangements may be taken into account to reduce the Fund's exposure to Islamic derivatives.

The marked-to-market value of Shariah-compliant transferable securities, Islamic money market instruments, or units or shares in Islamic CIS involved in hedging arrangements may be taken into account to reduce the exposure of the Fund to Islamic derivatives.

The hedging arrangement must:

- (a) not be aimed at generating a return;
- (b) result in an overall verifiable reduction of the risk of the Fund;
- (c) offset the general and specific risks linked to the underlying constituent being hedged;
- (d) relate to the same asset class being hedged; and
- (e) be able to meet its hedging objective in all market conditions.

In respect of the above investment restrictions and limits, we must notify the SC, within three (3) Business Days, of any breach of investment limits and restrictions with the steps taken to rectify and prevent such breach from recurring. However, the GUTF provides that any breach of the restrictions and limits due to appreciation or depreciation in the value of the Fund's investments, repurchase of units or payment made out of the Fund, change in capital of a corporation in which the Fund has invested in, or downgrade in or cessation of a credit rating need not be reported to the SC but we must rectify such breach as soon as practicable within three (3) months from the date of breach unless stated otherwise in the GUTF. However, the three-month period may be extended if it is in the best interest of Unit holders and Trustee's consent is obtained. Such extension must be subject to at least a monthly review by the Trustee.

Note: Subject to the investment limit (10) and (11), the Fund may invest into non-Qualifying CIS, provided:

- a) the level of protection for unit holders of the non-Qualifying CIS is at least equivalent to that provided for unit holders in a Qualifying CIS. The non-Qualifying CIS should invest in units of other CIS from countries that either:
 - (i) have been assessed by World Bank/ International Monetary Fund at least "broadly implemented" on the principles relevant to CIS; or
 - (ii) does not comply with (a)(i) but the Home Regulator of the Qualifying CIS is satisfied with the relevant reason/ explanation on the weak points and how equivalence of protection can still be achieved;
- b) semi-annual and annual reports are published by the non-Qualifying CIS; and
- c) the investment policy of the non-Qualifying CIS is such that the:
 - (i) invested assets are similar to the types and categories that a Qualifying CIS may invest in and the non-Qualifying CIS is subject to investment limits that are in line with those applicable to a Qualifying CIS; or
 - (ii) invested assets are real estate and/or real estate-related, provided that the units of the non-Qualifying CIS are listed for quotation and traded on an organised exchange in a Signatory Country.

Minimum requirement for Islamic liquid assets

Islamic liquid assets include cash, Islamic Deposits with licensed Islamic financial institutions, Islamic money market instruments and Sukuk with a remaining maturity of less than one (1) year. The Fund is required to hold a minimum of 2% of Fund's NAV (or such other amount agreed by both us and the Trustee from time to time) in Islamic liquid assets.

1.4. APPROVALS AND CONDITIONS

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

1.5. SHARIAH INVESTMENT GUIDELINES

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

Screening process

a. Shariah-compliant equities

1. For Shariah-compliant securities listed on Bursa Malaysia, the Fund shall invest in Shariah-compliant securities listed under the List of Shariah-compliant securities by the SAC of the SC.
2. For initial public offering, the Fund shall invest in Shariah-compliant securities that are approved by SAC of the SC and/or Shariah Adviser in accordance to the SAC of the SC's screening methodologies.
3. For foreign Shariah-compliant securities, the Fund shall invest in Shariah-compliant securities which are listed under the List of Shariah-compliant securities by index providers or service providers subject to approval from Shariah Adviser.

b. Sukuk

Sukuk are certificates of equal value which evidence undivided ownership or investment in the assets using Shariah principles and concepts. The Fund will only invest in Sukuk which is approved by the SAC of the SC, Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and/or other Shariah boards/standards acceptable to the Shariah Adviser. The Shariah Adviser will review any Sukuk instruments to be invested by the Fund based on the data available at:

- Bond info hub (www.bondinfo.bnm.gov.my)
- Fully automated system for issuing/tendering (<http://fast.bnm.gov.my>)

c. Islamic money market instruments

For investment in Malaysia, the Fund will invest in Islamic money market instruments approved by the SAC of BNM based on the data available at:

- Bond info hub (www.bondinfo.bnm.gov.my)
- Fully automated system for issuing/tendering (www.fast.bnm.gov.my).

For investment in foreign markets, Islamic money market instruments that are endorsed by other Shariah adviser or committee must be approved by the Shariah Adviser upon review of the relevant documents e.g. principal terms and conditions and Shariah pronouncements or approvals.

d. Investment in Islamic Deposits

Islamic Deposits shall be placed with financial institutions licensed under the Islamic Financial Services Act 2013 and/or Financial Services Act 2013, whichever is appropriate. For the avoidance of doubt, only Islamic account is permitted for placement of deposit with institutions licensed under the Financial Services Act 2013. The Fund is also prohibited from investing in interest-bearing deposits and recognizing any interest income.

e. Investment in Islamic CIS

The Fund shall invest in Islamic CIS which must be regulated and registered or authorised or approved by the relevant authority in its home jurisdiction.

f. Islamic derivative instruments

Islamic derivative instruments that are endorsed by other Shariah advisers or committees must be approved by the Shariah Adviser upon review of the relevant documents e.g. principal terms and conditions and Shariah pronouncements or approvals.

Any other Shariah-compliant instruments or Shariah-compliant instruments that are not being mentioned in items a to f above, the Fund should seek approval from Shariah Adviser pre-investment being made.

Rules on divestment of Shariah non-compliant securities

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

1. “Shariah-compliant “securities” which are subsequently classified as “Shariah non-compliant”.

These refer to securities which were earlier classified as Shariah-compliant but due to certain factors, such as changes in the companies’ business operations and financial positions, are subsequently reclassified as Shariah non-compliant. In this regard, if on the date the securities turned Shariah non-compliant, the respective market price of Shariah non-compliant securities exceeds or is equal to the investment cost, the Fund that hold such Shariah non-compliant securities must dispose them off. Any dividends received up to the date of the announcement/review and capital gains arising from the disposal of the Shariah non-compliant securities on the date of the announcement/review can be kept by the Fund.

However, any dividends received and excess capital gain from the disposal of Shariah non-compliant securities after the date of the announcement/review at a market price that is higher than the closing price on the date of the announcement/review should be channeled to baitulmal and/or charitable bodies as advised by the Shariah Adviser.

On the other hand, the Fund is allowed to hold its investment in the Shariah non-compliant securities if the market price of the said securities is below the Fund’s investment costs. It is also permissible for the Fund to keep the dividends received during the holding period until such time when the total amount of dividends received and the market value of the Shariah non-compliant securities held equal the investment cost. At this stage, they are advised to dispose of their holding.

In addition, during the holding period, Fund is allowed to subscribe to:

- (a) any issue of new securities by a company whose Shariah non-compliant securities are held by the Fund, for example rights issues, bonus issues, special issues and warrants (excluding securities whose nature is Shariah non-compliant e.g. loan stocks); and
- (b) Shariah-compliant securities of other companies offered by the company whose Shariah non-compliant securities are held by the Fund,

on condition that they expedite the disposal of the Shariah non-compliant securities.

Where the Fund invests in securities (save for money market instruments, deposit and equities or equities related i.e. warrants, right issue etc) earlier classified as Shariah-compliant but considered to have become Shariah non-compliant (by the Shariah adviser appointed by the issuer of that security) then guidance from the Shariah Adviser should be obtained.

Where the Fund invests in money market instruments, deposits or equities or equities related earlier classified as Shariah-compliant that are subsequently determined, regarded or deemed to be Shariah non-compliant as a result of a new or previously unknown fatwa/ruling and/or upon advice by the Shariah Adviser, the Manager would be required to sell such money market instruments or equities or equities related or withdraw such deposits, as soon as practicable of having notice, knowledge or advice of the status of such instruments. Any profit received from such instruments 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 channelled to baitulmal and/or charitable bodies, as advised by the Shariah Adviser.

2. Shariah non-compliant investments.

This refers to Shariah non-compliant investment made by the Manager and the external investment manager, if applicable. The said investment will be disposed of or withdrawn with immediate effect or within a month of knowing the status of the investment. In the event of the investment resulted in gain (through capital gain and/or dividend and/or profit) received before or after the disposal of the investment, the gain is to be channeled to baitulmal and/or any other charitable bodies as advised by the Shariah Adviser. The Fund has a right to retain only the investment cost. If the disposal of the investment resulted in losses to the Fund(s), the losses are to be borne by the Manager.

Cleansing process

Under the Shariah principles, any income or distribution received by the Fund from investments in their portfolios which relates to income from Shariah non-compliant investments as set out above are considered impure income. This impure income is subject to an income purification process as determined by the Shariah Adviser, from time to time and without limitation, where the impure income will be distributed to baitulmal and/or charitable bodies approved by the Shariah Adviser.

Periodic review

The Shariah Adviser will review the Fund on monthly basis to ensure the Fund’s operating procedures and investments comply with the Shariah principles. Upon completion of each review, the Shariah Adviser will deliver its opinion on the Shariah compliancy.

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 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 instruments which have been classified as Shariah-compliant by the SAC of the SC or the SAC of BNM. For instruments that are not classified as Shariah-compliant by the SAC of the SC or the SAC of BNM, the status of the instruments has been determined in accordance with the ruling issued by the Shariah Adviser.

1.6. FINANCING

The Fund may not obtain cash financing or borrow other assets in connection with its activities. However, the Fund may obtain 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

The Fund is currently not allowed to participate in lending of securities pursuant to the Standards of Qualifying CIS.

1.8. RISK FACTORS

1.8.1 GENERAL RISKS OF INVESTING IN A UNIT TRUST FUND

Any investment carries with it an element of risk. Therefore, prior to making an investment, you should consider the following risk factors in addition to the other information set out in this Prospectus.

Returns and capital not guaranteed

The investment of the fund is subject to market fluctuations and its inherent risk. There is **NO GUARANTEE** on the investment which includes your investment capital and returns, nor any assurance that the fund's objective will be achieved. You should also note that the fund is neither a capital guaranteed fund nor a capital protected fund. However, we reduce this risk by ensuring diligent management of the assets of the fund based on a structured investment process.

Market risk

This 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.

Liquidity risk

Liquidity risk refers to the ease of liquidating an asset without causing market dislocation. This depends on the supply and demand as well as the asset's volume or amount traded in the market. If the fund holds assets that are illiquid, assets that are difficult to dispose or due to liquidity policy applied by the unlisted CIS (e.g. suspension during exceptional situations), the value of the fund and consequently the value of unit holders' investment in the fund, will be negatively affected when the fund has to sell such assets at unfavourable prices.

Inflation risk

This is the risk that your investment in the fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce your purchasing power even though the value of the investment in monetary terms has increased.

Manager risk

This risk refers to the day-to-day management of the fund by the manager which will impact the performance of the fund. For example, 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 and if the prices of units fall below a certain level due to market conditions, you may be required to pay an additional amount on top of your existing instalment. If you fail to do so within the time prescribed, your units may be sold at an unfavourable price and the proceeds thereof will be used towards the settlement of your financing.

Shariah non-compliance risk

This refers to the risk of the fund not conforming to Shariah Investment Guidelines due to investment in Shariah non-compliant instrument or reclassification of Shariah status. In the event that the manager is required to rectify any Shariah non-compliance by disposing the related instrument, any losses from disposal due to investment in Shariah non-compliant instrument will be borne by the manager whereas any losses from disposal due to reclassification of Shariah status will be borne by the fund. In any circumstances, gain received from disposal shall be channeled to baitulmal and/or charitable bodies as advised by the Shariah Adviser.

Please refer to page 5 for more information on Shariah Investment Guidelines.

1.8.2 SPECIFIC RISKS ASSOCIATED WITH THE INVESTMENT PORTFOLIO OF THE FUND

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

Stock specific risk

Prices of a particular stock may fluctuate in response to the circumstances affecting individual companies such as adverse financial performance, news of a possible merger or loss of key personnel of a company. Any adverse price movements of such stock will adversely affect the Fund's NAV.

Sector risk

Stock prices of companies within a sector move together due to sector-specific causal factors, examples of which include business cycle dynamics and demographic or consumer demand changes. As the Fund will focus its investments within specific sectors that are related to the prevailing investment themes, its returns are strongly dependent on the impact of such sector-specific causal factors. These causal factors that drive sector-specific returns lead to sector-specific risks.

Risks associated with investment in Shariah-compliant warrants

There are inherent risks associated with investment in Shariah-compliant warrants. The value of Shariah-compliant warrants is influenced by the current market price of the underlying security, the exercise price of the contract, the time to expiration of the contract and the estimate of the future volatility of the underlying security's price over the life of the contract. Generally, the erosion in value of Shariah-compliant warrants accelerates as it approaches its expiry date. Like securities, we will undertake fundamental research and analysis on these instruments with an aim to mitigate its risks.

Risk associated with investing in Islamic CIS

Since the Fund may invest 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.

The above summary of risks does not purport to be an exhaustive list of all the risk factors relating to investments in the Fund and are not set out in any particular order of priority. You should be aware that an investment in a unit trust fund may be exposed to other risks from time to time. If in doubt, you should consult professional advisers for a better understanding of the risks.

2. FEES, CHARGES AND EXPENSES

2.1. CHARGES

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

2.1.1. Application Fee

When applying for units of a Class, you may be charged an Application Fee based on the NAV per unit of the respective Class. Please refer to the Annexure of the respective Class for further information.

If the Fund is an EPF-MIS approved fund and you invest via EPF-MIS (where available), you may be charged an Application Fee of up to 3.00% of the NAV per unit, or such other rate as may be determined by the EPF.

Below is an illustration on how the Application Fee is calculated:-

	Class ABC (Denominated in USD)	Class XYZ (Denominated in MYR)
Investment amount	USD 10,000	MYR 10,000
NAV per unit	USD 1.0000	MYR 1.0000
Application Fee (NAV per unit)	6.50%	6.50%
Units issued to Unit holder = $\frac{\text{Investment amount}}{\text{NAV per unit}}$	= $\frac{\text{USD 10,000.00}}{\text{USD 1.0000}}$ = 10,000 units	= $\frac{\text{MYR 10,000.00}}{\text{MYR 1.0000}}$ = 10,000 units
Application Fee per unit = NAV per unit x Application Fee (%)	= USD 1.0000 x 6.50% = USD 0.065	= MYR 1.0000 x 6.50% = MYR 0.065
Total Application Fee	= 10,000 units x USD 0.065 = USD 650.00	= 10,000 units x MYR 0.065 = MYR 650.00

Note: Please note that the above example is for illustration purpose only. Please refer to the Annexure of the respective Class for the Application Fee applicable to the Class. The Application Fee imposed will be rounded to two (2) decimal places.

2.1.2. Withdrawal Fee

Nil.

2.1.3. Switching Fee

Switching is treated as a withdrawal from a Class and an investment into another Class or Principal Malaysia's fund (or its class(es)). 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(es)). Switching Fee will not be charged if the Class or Principal Malaysia's fund (or its class(es)) to be switched into has a lower Application Fee. In addition to Switching Fee, you may be charged an administrative fee for each switching application. Please refer to the Annexure of the respective Class for further information.

Switching from Islamic fund to conventional fund is discouraged for Muslim investors. The term 'discouraged' is not a Shariah ruling imposed by the Shariah Adviser to the investor, rather a suggestion for the Muslim investor to continue practising the Islamic conducts, ie: Shariah investing.

2.1.4. Transfer Fee

You may be charged a Transfer Fee for each transfer. Please refer to the Annexure of the respective Class for further information.

2.2. FEES AND EXPENSES

All fees and expenses of the Fund will generally be apportioned to each Class currently available for sale based on the MCR except for those expenses that are related to the specific Class only, such as, the costs of Unit holders' meeting held in relation to the respective Class. If in doubt, you should consult professional advisers for a better understanding.

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

2.2.1. Management Fee

Please note that the Management Fee is charged to the respective Class at the Class level, based on the NAV of the Class. Please refer to the Annexure of the respective Class for further information. The Management Fee shall be accrued daily and paid monthly.

Below is an illustration on how the Management Fee is calculated, assuming Management Fee of 1.50% per annum and MYR 150 million each for both Class ABC and Class XYZ:-

	Class ABC (Denominated in USD) (MYR)	Class XYZ (Denominated in MYR) (MYR)
Annual Management Fee	1.50% per annum	1.50% per annum
NAV of the Class	MYR150 million	MYR 150 million
Management Fee for the day = NAV of the Class x	= MYR 150 million x 1.50%/365	= MYR 150 million x 1.50%/365
Management Fee rate for the Class (%)/365 days	= MYR 6,164.38	= MYR 6,164.38

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

2.2.2. Trustee Fee

Please note that the Trustee Fee (including local custodian fees but excluding foreign sub-custodian fees and charges) charged to the Fund is based on the NAV of the Fund. The Trustee Fee shall be accrued daily and paid monthly.

The Trustee Fee is 0.05% per annum for the Fund.

Below is an illustration on how the Trustee Fee is calculated, assuming the NAV of the Fund is MYR 150 million:-

$$\begin{aligned}
 \text{Trustee Fee for the day} &= \text{NAV of the Fund} \times \text{annual Trustee Fee rate for the Fund (\%)} / 365 \text{ days} \\
 &= \text{MYR 150 million} \times 0.05\% \text{ per annum} / 365 \text{ days} \\
 &= \text{MYR 205.48}
 \end{aligned}$$

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 sale, purchase, takaful, custody and any other dealings of investments including commissions/fees paid to brokers and costs involved with external specialists approved by the Trustee in investigating and evaluating any proposed investment;
- (where the foreign custodial function is delegated by the Trustee), charges and/or fees paid to the foreign sub-custodian;
- expenses incurred in the printing of, purchasing of stationery and postage for the annual and interim (if any) reports;
- tax and other duties imposed by the government and other authorities and bank fees;
- Shariah Adviser's fee and expenses;
- fees and other expenses properly incurred by the auditor and tax agent of the Fund;
- fees incurred for the fund valuation and accounting of the Fund performed by a fund valuation agent;
- costs incurred in modifying the Deed otherwise than for our benefit or the Trustee's;
- costs of convening and holding meetings of Unit holders (other than those meetings convened for our benefit or the Trustee's);
- all costs, bank charges and expenses related to income distribution of the Fund; for example, postage and printing of all cheques, statements and notices to you; and
- remuneration and out of pocket expenses of the person(s) or members of a committee undertaking the oversight function of the Fund unless we decide to bear the same.

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. We and the Trustee 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. All expenses of the Fund will generally be apportioned to each Class currently available for sale based on the MCR except for those expenses that are related to the specific Class only, such as, the costs of Unit holders' meeting held in relation to the respective Class. If in doubt, you should consult professional advisers for a better understanding.

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

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

2.3. REBATES AND SOFT COMMISSIONS

We and the Trustee will not retain any form of rebate from, or otherwise share in any commission with, any broker or dealer in consideration for directing dealings in the investments of the Fund. Accordingly, any rebate or shared commission will be directed to the account of the Fund.

We may retain goods and services (soft commission) provided by any broker or dealer if the following conditions are met:

- (a) the soft commission brings direct benefit or advantage to the management of the Fund and may include research and advisory related services;
- (b) any dealings with the broker or dealer is executed on terms which are the most favourable for the Fund; and
- (c) the availability of soft commission is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and we will not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commission.

There are fees and charges involved and you 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 and/or you as disclosed or illustrated in this Prospectus.

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

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 in accordance with applicable law and guidelines. The valuation bases for the investments permitted by the Fund are as below:

- **Listed Shariah-compliant securities**
The value of any Shariah-compliant permitted investments, which are quoted on an exchange, shall be calculated daily by reference to the last exchange closing prices. If the last transacted price does not represent the fair value of the Shariah-compliant securities, then the Shariah-compliant securities shall 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, then the Shariah-compliant securities should be valued at fair value as determined in good faith by us based on the methods or bases approved by the Trustee after appropriate technical consultation.
- **Unlisted Shariah-compliant equities**
The valuation of Shariah-compliant equities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing or quotation and are offered directly to the Fund by the issuer shall be valued daily at the issue price of such Shariah-compliant equities. The value will be determined by the issuer that issued the instrument.
- **Unlisted Sukuk**
The value of any unlisted MYR-denominated Sukuk shall be calculated on a daily basis using prices quoted by a bond pricing agency (“BPA”) registered with the SC. Where such prices are not available or where we are of the view that the price quoted by the BPA for a specific Sukuk differs from the market price by more than twenty (20) basis points, we may use the market price by reference to the last available quote provided such quote was obtained within the previous thirty (30) days and we record our basis for using a non-BPA price, obtain necessary internal approvals to use the non-BPA price and keep an audit trail of all decisions and basis for adopting the market yield.

The value of any unlisted non MYR-denominated Sukuk shall be calculated daily by reference to the average indicative yield quoted by three (3) independent and reputable financial institutions. However, where quotations are not available, such unlisted non MYR-denominated Sukuk will be valued daily at a fair price 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.

- **Unlisted Islamic derivative instruments**
For unlisted Islamic derivative instruments, we shall ensure that the valuation of the investment is valued daily at fair value as determined in good faith by us, based on methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.
- **Islamic CIS**
The value of any investment in Islamic CIS which is quoted on an approved exchange shall be calculated daily in the same manner as other listed Shariah-compliant securities described above. When investing in unlisted Islamic CIS, the value shall be determined daily by reference to the last published repurchase/redemption net asset value per unit for that Islamic CIS.
- **Islamic Money market instruments**
Investment in Islamic money market instruments are valued each day by reference to the quotes provided by independent and reputable pricing source(s), which is deemed fair value, includes but not limited to a BPA registered with the SC. Where the quotes are provided by financial institutions, the valuation of the Islamic 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 Islamic Deposits and the accrued profit 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 application 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 on the same 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 the Classes for each 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 Refinitiv 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 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 6 September 2022, your units will be based on the NAV per unit on 6 September 2022, which will be calculated on 7 September 2022. The NAV per unit will be available on our website after 5:30 p.m. on 7 September 2022.

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

At the end of the Business Day on 6 September 2022, your units will be based on the NAV per unit on 7 September 2022, which will be calculated on 8 September 2022. The NAV per unit will be available on our website after 5:30 p.m. on 8 September 2022.

The Fund must be valued at least once every Business Day. The method of determining the NAV per unit of the Class is calculated as follows:

$$\text{NAV per unit of the Class} = \frac{\text{NAV of the Class}}{\text{Number of units in issue of the Class}}$$

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 Deed) including income derived by the Fund which has not been distributed to you, less all amounts owing or payable in respect of the Fund which also includes any provisions that may be made by us and the Trustee. For example, a provision may be made for possible future losses on an investment which cannot be fairly determined.

The valuation of the Fund is in the base currency i.e. MYR. The NAV per unit of each Class will be the NAV of the Fund attributable to each Class divided by the number of units in circulation of that Class, at the same valuation point.

3.2.1. Multi-class Ratio (MCR)

MCR is the apportionment of the NAV of each Class over the Fund's NAV based on the size of each Class. The MCR is calculated by dividing the NAV (in MYR) of the respective Class by the NAV of the Fund before income and expenses for the day. The apportionment is expressed as a ratio and calculated as a percentage.

Below is an illustration on computation of the NAV of the Fund:-

	Fund (MYR)	Class ABC (Denominated in USD) (MYR)	Class XYZ (Denominated in MYR) (MYR)
NAV of the Fund before income and expenses	185,942,897.00	173,342,897.00	12,600,000.00
% MCR	100.00%	⁽¹⁾ 93.22%	⁽¹⁾ 6.78%
Add: Income	30,000.00	⁽²⁾ 27,967.12	⁽²⁾ 2,032.88
Less: Expenses	(10,000.00)	⁽²⁾ (9,322.37)	⁽²⁾ (677.63)
Benefits or costs of hedging (if any)	900.00	900.00	-
NAV of the Fund before Management Fee and Trustee Fee	185,963,797.00	173,362,441.75	12,601,355.25
Less: Management Fee	(7,642.34)	(7,124.48)	(517.86)
		1.50% p.a.	1.50% p.a.
Less: Trustee Fee	(254.74)	(237.48)	(17.26)
		0.05% p.a.	
NAV of the Fund	185,955,899.92	173,355,079.79	12,600,820.13
Units in circulation (units)	200,000,000.00	170,000,000.00	30,000,000.00
NAV per unit		1.0197	0.4200
Currency exchange rate		(MYR/USD) 3.6000	N/A
NAV per unit		USD 0.2832	MYR 0.4200

	Fund (MYR)	Class ABC (Denominated in USD) (MYR)	Class XYZ (Denominated in MYR) (MYR)
NAV of the Fund before creation of units for the day	185,955,899.92	173,355,079.79	12,600,820.13
⁽³⁾ Net subscription amount	4,600,000.00	3,600,000.00	1,000,000.00
Closing NAV	190,555,899.92	176,955,079.79	13,600,820.13
Units in circulation (units)	201,694,966.30	170,980,680.59	30,714,285.71
NAV per unit		1.0197	0.4200
Currency exchange rate		(MYR/USD) 3.6000	N/A
NAV per unit		USD 0.2832	MYR 0.4200

Note:

⁽¹⁾ MCR computation

	Class ABC (Denominated in USD)	Class XYZ (Denominated in MYR)
$\frac{\text{NAV of the Class} \times 100}{\text{NAV of the Fund before income and expenses}}$	$\frac{173,342,897.00 \times 100}{185,942,897.00}$	$\frac{12,600,000.00 \times 100}{185,942,897.00}$
	= 93.22%	= 6.78%

⁽²⁾Apportionment based on MCR:

	(USD)	Class ABC (Denominated in USD) (MYR)	Class XYZ (Denominated in MYR) (MYR)
Add: Income	30,000.00	MCR x Income = Income for Class ABC = 93.22% x MYR 30,000.00 = MYR 27,967.12	MCR x Income = Income for Class XYZ = 6.78% x MYR 30,000.00 = MYR 2,032.88
Less: Expenses	(10,000.00)	MCR x Expenses = Expenses for Class ABC = 93.22% x MYR 10,000.00 = MYR 9,322.37	MCR x Expenses = Expenses for Class XYZ = 6.78% x MYR 10,000.00 = MYR 677.63

⁽³⁾Net subscription amount

	Class ABC (Denominated in USD)	Class XYZ (Denominated in MYR)
Net subscription amount	USD 1,000,000.00	MYR 1,000,000.00
NAV per unit	USD 0.2832	MYR 0.4200
Number of units	3,531,073.45 units	2,380,952.38 units
Currency exchange rate	(MYR/USD) 3.6000	N/A
Net subscription amount*	MYR 3,600,000.00	MYR 1,000,000.00

* Subscription amount net of any withdrawal amount

Note: Please note that the above is for illustration purpose only. NAV per unit is truncated to four (4) decimal places.

3.2.2. Calculation of investment amount and units entitlement

The calculation below is for illustration only and does not represent the actual percentage/ amount that you may incur for each Class. Please refer to the Annexure of the respective Class for the actual percentage/ amount of charges.

Illustrations:

Calculation of number of units received, Application Fee and total amount payable by you

NAV per unit of Class XYZ denominated in MYR = MYR0.5000 (truncated to 4 decimal places)
Application Fee = 6.50%
You wish to invest MYR10,000 in the Fund.

Calculation of total number of units that you will receive*

= Investment amount / NAV per unit of Class XYZ
= MYR10,000.00 / MYR0.5000
= 20,000.00 units

Calculation of Application Fee that you will incur (payable in addition to the investment amount)

= NAV per unit of Class XYZ x number of units received x Application Fee rate
= MYR0.5000 x 20,000.00 units x 6.50%
= MYR650.00

Calculation of total amount that you will have to pay

= Investment amount + Application Fee paid
= MYR10,000.00 + MYR650.00
= MYR10,650.00

* The number of units you will receive will be rounded to two (2) decimal places

Calculation of investment value

Assuming you have 40,000 units of Class XYZ of the Fund and the NAV per unit of Class XYZ for the day is MYR0.2630 (truncated to 4 decimal places).

Calculation of investment value

= Number of units x NAV per unit of Class XYZ
= 40,000.00 x MYR0.2630
= MYR10,520.00

Calculation of withdrawal value and amount payable to you

Assuming you request for a 10,000 units withdrawal. Your withdrawal request is received by us by 4:00 p.m. on a Business Day. The NAV per unit of Class XYZ for that Business Day is MYR0.2686 (truncated to 4 decimal places).

Calculation of amount payable to you

= Number of units withdrawn x NAV per unit
= 10,000.00 units x MYR0.2686
= MYR2,686.00

*There is no Withdrawal Fee for Class XYZ of the Fund. Hence, the amount payable to you is the withdrawal value.

3.3. INCORRECT PRICING

We shall take immediate remedial action to rectify any incorrect valuation and/or pricing of the Class. 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 Class for any withdrawal of units; and/or
 - (ii) you, if you have purchased units of the Class at a higher price; or
- (b) in the event of under valuation and/or pricing, we shall reimburse:
 - (i) the Class for any subscription of units; and/or
 - (ii) you, if you have withdrawn units of the Class 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 MYR10.00 (or in the case of a foreign currency Class, 10.00 denominated in the foreign currency denomination of the Class) 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 abovesaid limits from time to time, subject to any regulatory or governing body's requirements.

3.4. INVESTING

3.4.1. Who can invest?

You are eligible to invest in the Fund if you are:

- an individual who is at least eighteen (18) years of age and you are not an undischarged bankrupt with a bank account (or foreign currency bank account, as the case may be) in the currency of the Class applied for (e.g. Class USD investors are required to have a USD bank account). 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 with a bank account (or foreign currency bank account, as the case may be) in the currency of the Class applied for (e.g. Class USD investors are required to have a USD bank account).

Notwithstanding the above, we have the right to accept or reject an application in whole or in part thereof without assigning any reason in respect thereof.

Further, if we become aware of a USA person (i.e. someone who has a USA address (permanent or mailing) or contact number) or USA entity (i.e. a corporation, trust, partnership or other entity created or organised in or under the laws of the USA 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 will issue a notice to that Unit holder requiring him/her to, within thirty (30) days, either withdraw the units or transfer the units to a non-USA person or non-USA 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 any of our Distributors or Principal Malaysia's offices after completing the relevant application and attaching a copy of your identity card, passport or any other identification document (where applicable). We may request for additional supporting document(s) or information from you. Your application should 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 make a payment:

- by a crossed cheque, banker's draft or cashier's order (made payable as advised by us or our Distributors as the case may be). You will have to bear the applicable bank fees and charges, if any;
- directly from your bank account (or foreign currency bank account, as the case may be) held with us or our Distributors, where applicable; or
- by such other mode of payment that we and/or the relevant authorities may 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. Regular Savings Plan

RSP may be made available for certain Class. Please refer to the Annexure of the respective Class for further information. Where available, the RSP allows you to make regular monthly investments, directly from your account held with a bank approved by us or our Distributors. We will process the monthly investments made via the RSP when we receive your application and/or your monthly contribution. You can also arrange a standing instruction with us or our Distributors to invest a pre-determined amount in the Class each month. You can cancel your RSP at any time by providing written instructions to us or our Distributors to cancel your standing instruction.

3.4.4. 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.

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

3.4.5. Who is distributing this Fund?

The Fund may be distributed via the following channels:

- Principal Malaysia's offices;
- Principal Distributors;
- IUTAs; and
- such other channels as we may decide from time to time.

You may invest into the Fund via us, any of our Distributors or such other channels (where available). Please refer to the “Distributors of the Fund” chapter for further details. Please note that we have the discretion in determining the Distributors of the Fund, including its appointment and/or termination from time to time. You may contact our Customer Care Centre under the “Corporate Directory” section or refer to our website at www.principal.com.my for more information.

You should not make payment in cash to any individual agent or employee of Principal Malaysia or issue a cheque in the name of any individual agent or employee of Principal Malaysia when purchasing units of a fund.

3.4.6. Please take note that if your investments are made through an IUTA via a nominee system of ownership, you would not be deemed as a Unit holder under the Deed and as a result, you may not exercise all the rights ordinarily conferred to a Unit holder (e.g. the right to call for Unit holders’ meetings and the right to vote at a Unit holders’ meeting).

3.5. MINIMUM INVESTMENTS

The minimum initial and additional investment for each Class may differ and may be determined by us from time to time. Please refer to the Annexure of the respective Class for further information.

3.5.1. Processing an application

If we receive and accepted 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 and accepted 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 (T+1). We will only process the complete applications, i.e. when we have received all the necessary and required information and/or documentations. The number of units you receive will be rounded to two (2) decimal places.

3.6. MINIMUM WITHDRAWALS

The minimum withdrawal amount for each Class may differ and may be determined by us from time to time, unless you are withdrawing your entire investment. Please refer to the Annexure of the respective Class for further information. You may withdraw by completing a withdrawal application and submit it to the relevant Distributor or Principal Malaysia’s offices . There is no restriction on the frequency of withdrawals. We will transfer the withdrawal proceeds to the bank account number (or foreign currency bank account number, as the case may be) provided by you. If the Fund is an EPF-MIS approved fund and you have invested via EPF-MIS, your withdrawal proceeds will be paid to EPF.

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 (T+1). The 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 MYR Unit holders will be paid in MYR) within seven (7) Business Days, upon our receipt of the complete withdrawal request. You will have to bear the applicable bank fees and charges, if any.

3.7. MINIMUM BALANCE

The minimum balance that must be maintained in your account for each Class may differ and may be determined by us from time to time. Please refer to the Annexure of the respective Class for further information. If the balance (i.e. number of units) of an investment drops below the minimum balance units, further investment will be required until the balance of the investment is restored to at least the stipulated minimum balance. Otherwise, we can withdraw your entire investment and forward the proceeds to you.

3.8. COOLING-OFF PERIOD

For first time individual investor investing with us, you have six (6) Business Days after your initial investment (i.e. from the date the complete application is received and accepted by us or any of our Distributors) to reconsider its appropriateness and suitability for your investment needs. Within this period, you may withdraw your investment at the same NAV per unit when the units were purchased or prevailing NAV per unit at the point of cooling-off (whichever is lower) (“Refund Amount”). We will pay the Refund Amount including the Application Fee (if any) to you in the currency of the respective Class within seven (7) Business Days, from the date we receive the complete documentations. Please note that the cooling-off right is only given to first time investor investing with us or our Distributors. However, Principal Malaysia’s staff and person(s) registered with a body approved by the SC to deal in unit trust funds are not entitled to the cooling-off right. If the Fund is an EPF-MIS approved fund and you have invested via EPF-MIS, your cooling-off right is subject to EPF’s terms and conditions.

3.9. SWITCHING

We process a switch between the Classes of the Fund or between a Class and other Principal Malaysia's fund (or its classes), which should be denominated in the same currency. You may contact our Customer Care Centre under the "Corporate Directory" section for more information on the availability of switching. For information on the availability of switching, please refer to the Annexure of the respective Class.

To switch, simply complete a switch application and send to our Distributors or Principal Malaysia's offices. Currently, there is no restriction on the frequency of switches. However, we have the discretion to allow or to reject any switching into (or out of) the Fund or Class and other Principal Malaysia's funds (or its classes).

3.9.1. Processing a switch

We process a switch as a withdrawal from one fund or class and an investment into another fund or class within Principal Malaysia's funds. 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, the switch-out will be processed 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) to four (4) Business Days.

3.10. TRANSFER FACILITY

You may transfer your units to another investor subject to such terms and conditions as may be stipulated in the Deed. However, we may refuse to register any transfer of unit at our absolute discretion. You may be charged a Transfer Fee for each transfer. Please refer to the Annexure of the respective Class for further information.

3.11. TEMPORARY SUSPENSION

Subject to the requirements in the GUTF and/or the Deed, we and the Trustee may temporarily suspend the dealing in units of the Class or Fund when there is good and sufficient reason to do so.

To avoid suspension of the Fund, the Fund will hold adequate Islamic liquid assets and if the Islamic liquid assets are insufficient to meet withdrawal requests, we will either liquidate the investments of the Fund or seek temporary financing, considering which is in the best interests of Unit holders. Before carrying out any suspension of the Fund after we have taken all considerations under liquidity risk management framework, we will ensure that we have exhausted all possible avenues to avoid a suspension of the Fund, and only as a last resort, and in consultation with the Trustee and having considered the interests of the Unit holders, suspend the sale (if applicable) and repurchase of units where it is impractical for us to calculate the NAV of the Fund due to but not limited to when material portion of the asset of the Fund is affected by any of the following:

- (i) the closure of a securities exchange or trading restrictions in the securities exchange; or
- (ii) it is not in the best interests of the Unit holders; or
- (iii) an emergency or other state of affairs; or
- (iv) the declaration of a moratorium in a country where the Fund has assets; or
- (v) for the purpose of conversion of any currency, a closure or restrictions on trading in the relevant foreign exchange market; or
- (vi) the realisation of the assets of the Fund not being able to be effected at prices which are fair to the Fund and/or within a reasonable period in a stable market; or
- (vii) the SC has instructed either the Manager or the Trustee to suspend dealings of units in the interests of protecting the rights of Unit holders.

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 applications, withdrawals, switches and/or transfers of units before the suspension is declared, please note that your request will only be processed on the next Business Day after the cessation of suspension of the Fund. You will be notified of the suspension and when the suspension is lifted. In such case, you will not be able to redeem your units and will be compelled to remain invested in the Fund for a longer period of time than original timeline. Hence, your investments will continue to be subjected to the risks inherent to the Fund (please refer to the "Risk Factors" section).

3.12. DISTRIBUTION PAYMENT

Depending on the distribution policy of the respective Class, distribution (if any) will be made at the end of each distribution period to the Class(es) according to its distribution policy. Each unit of the Class 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 Class with the distribution amount in cent per unit. Once a distribution has been paid, the NAV per unit will adjust accordingly. For more information on the distribution policy of each Class, please see Annexure of the respective Class.

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 will be rounded to two (2) decimal places), unless written instructions to the contrary are communicated to us, in which case you should have first furnished us with details of your valid and active bank account in the currency denomination of that Class, that all distribution payment shall be paid (the cost and expense will be borne by you). No Application Fee is payable 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 Class, 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 made in the respective currency for the Class(es). As such, the distribution amount may be different for each Class as a result of exchange rate movement between the base currency of the Fund and the denominated currency of the Class(es). The distribution will be paid into your bank account (which shall be in the respective currency of the Class(es)) in our records (at your cost and expense).

Note: Please note that for Class(es) that provide distribution, we have the right to make provisions for reserves in respect of distribution of the Class. 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 the 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.

For income distribution payout to you by cheque, if any, which remain unclaimed for six (6) months will be reinvested into the Class 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 Class. As for income distribution payout to you by bank transfer, if any, which remained unsuccessful and unclaimed for six (6) months, it will be reinvested into the Class 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 Class. No Application Fee is payable for the reinvestment. In the event that you no longer hold any unit in the Class, the distribution money would be subject to the same 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

30 November.

4.2. INFORMATION ON YOUR INVESTMENT

We will send you the following:

- Your Principal Malaysia investor account number;
- Confirmation on all your transactions and distributions (if any);
- Confirmation on any changes to your personal details (e.g. your address) if you have written to us to make the changes;
- Quarterly statement showing details of your transactions and distributions (if any); and
- Interim and audited annual report showing snapshots of the Fund and details of the portfolio for the respective period reported. Both the interim report and the audited annual report will be sent to you within two (2) months of the end of the period reported.

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

In the case of joint Unit holders, all correspondences and payments will be made and sent to the first registered Unit holder.

Please take note that if you have invested through an IUTA via a nominee system of ownership, you would not be deemed as a Unit holder under the Deed. As such, you may obtain the above-mentioned information from that IUTA.

You may obtain up-to-date fund information and NAV per unit from our monthly fund fact sheets and our website at www.principal.com.my.

If you have any questions about the information in this Prospectus or would like to know more about investing in the Principal Malaysia family of unit trust funds, please contact our Customer Care Centre under the "Corporate Directory" section during business hour between 8:45 a.m. and 5:45 p.m. (Malaysian time) from Mondays to Fridays or you may email us at service@principal.com.my.

If you wish to write-in, please address your letter to:

Principal Asset Management Berhad
Customer Care Centre
Ground Floor Bangunan CIMB
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur, MALAYSIA

4.3. DEED

The Fund is governed by the Deed dated 10 April 2015, the First Supplemental Master Deed dated 31 May 2019 and the Second Supplemental Deed dated 22 December 2022 including any other supplemental deed (s) as may be issued from time to time.

4.4. DOCUMENTS AVAILABLE FOR INSPECTION

You may inspect 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;
- Current Prospectus and supplementary or replacement prospectus, if any;
- The latest annual and interim reports of the Fund, which includes the audited financial statements of the Fund (where available) for the current financial year and for the last three (3) financial years or if less than three (3) years, from the date of launch of the Fund;
- Material contracts or documents referred to in this Prospectus;
- 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;
- Any reports, letters or other documents, valuations and statements by any expert, any part of which is extracted or referred to in this Prospectus;
- Writ and relevant cause papers for all material litigation and arbitration disclosed in this Prospectus; and
- Consents given by experts disclosed in this Prospectus, if any.

4.5. CONSENT

Ernst & Young Tax Consultants Sdn Bhd, HSBC (Malaysia) Trustee Berhad and Amanie Advisors Sdn Bhd have given their written consent to act in their respective capacity. They have also given their consent for the inclusion of their names, statements and/or reports in this Prospectus in the form and context in which it appears and have not subsequently withdrawn their consent to the inclusion of their names, statements and/or reports in the form and context in which it appears in this Prospectus.

4.6. POTENTIAL CONFLICTS OF INTERESTS AND RELATED PARTY TRANSACTIONS

We (including our directors) will at all times 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 such that the Fund is not disadvantaged. In the unlikely event that we face conflicts in respect of our duties as the manager to the Fund and to other Principal Malaysia's funds that we manage, we are obliged to act in the best interests of 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 derives 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.

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 CIMB Group and the PFG provided that the transactions are effected at terms which are the best available for the Fund and which are no less favourable to the Fund than an arm's length transaction between independent parties.

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 person(s) or members of a committee undertaking the oversight function of the Fund to ensure compliance to the relevant regulatory requirements.

The Distributors may be our related party. We will ensure that any arrangement made with the Distributors will be at arm's length.

Trustee

As the trustee and service provider 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, , 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 (i.e. Trustee's delegate); and
- (4) where the Fund obtains financing as permitted under the GUTF, from the related party of the Trustee.

The Trustee has in place policies and procedures to deal with any conflict of interest situation. 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 the above and 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 Unit holder or retain for its own benefit any profits or benefits derived from any 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 corporation, 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 Prospectus 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 Personal Account Dealing Policy, 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 was incorporated on 13 June 1994 and is a joint venture between PFG and CIMB Group. Principal Malaysia has experience operating unit trust funds since 1994.

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 objectives;
- ensuring that the Fund has sufficient holdings in liquid assets;
- arranging for the sale and withdrawal 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 is there any facts likely to give rise to any proceeding which might materially affect the business/financial position of Principal Malaysia.

5.1.1. The name and designation of each of the directors can be found in our website at www.principal.com.my/en/about-us/leadership.

5.1.2. Designated Person Responsible for Fund Management Function

Name:	Patrick Chang Chian Ping
Designation:	Chief Investment Officer, Malaysia & Chief Investment Officer, Equities, ASEAN Region
Experience:	He was appointed as the Chief Investment Officer on 22 February 2016. He comes with an extensive 20 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 was overseeing ASEAN equities for both Malaysian and offshore clients from 2012. Prior to that, he served as Senior Vice President for CIMB-Principal Asset Management Berhad where he specialised in Malaysia, ASEAN and Asia specialist funds. He also worked as a portfolio manager at Riggs and Co International Private Banking in London specialising in managing global ETF portfolios.
Qualifications:	MSc Finance from City University Business School and BSc Accounting and Financial Analysis from University of Warwick, UK.

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

6. SHARIAH ADVISER OF THE FUND

6.1. ABOUT AMANIE ADVISORS SDN BHD

Amanie Advisors Sdn Bhd ("Amanie") is a Shariah advisory, consultancy, training and research and development boutique for institutional and corporate clientele focusing on Islamic financial services. Amanie is a registered Shariah Adviser (Corporation) with the SC. It has been established with the aim of addressing the global needs for experts' and Shariah scholars' pro-active input. This will ultimately allow the players in the industry to manage and achieve their business and financial goals in accordance with the Shariah Principles. Amanie also focuses on organizational aspect of the development of human capital in Islamic finance worldwide through providing updated quality learning embracing both local and global issues on Islamic financial products and services. The company is led by Tan Sri 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 corporate finance, accounting, product development, Shariah law and education. Since 2005, Amanie has more than seventeen (17) years of experience in the advisory role of unit trusts funds and fund management with more than 200 funds which Amanie acts as Shariah adviser. As at LPD, Amanie has acquired over seventeen (17) years of experience in the advisory role of unit trusts funds and fund management with more than one hundred and eleven (111) funds which Amanie acts as Shariah adviser.

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 Deed, Prospectus 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 included in the Fund's 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 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 quarter to review on the Fund's investment and address Shariah advisory matters pertaining to the Fund to ensure compliance with Shariah principles or any other relevant principles at all times. Our portfolio will be reviewed on monthly basis and Amanie shall issue an annual Shariah certificate for the Fund at the financial year end.

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

- Suhaida Mahpot
- Ahmad Anas Fadzil
- Muhammad Hafizuddin Abd. Hamid

6.1.1. Designated Person Responsible for Shariah Adviser Function

Name:	Tan Sri Dr. Mohd Daud Bakar
Designation:	Executive Chairman, Amanie Advisors Sdn Bhd
Experience:	<p>Tan Sri Dr. Mohd Daud Bakar is the Founder and Executive Chairman of Amanie Group. One of its flagship companies namely Amanie Advisors, is operating in a few cities globally. He serves as the Chairman of the Shariah Advisory Council (SAC) at the Central Bank of Malaysia, the Securities Commission of Malaysia, the Astana International Financial Centre (AIFC), Kazakhstan, the First Abu Dhabi Bank (UAE), and Permodalan Nasional Berhad (PNB).</p> <p>Tan Sri Dr Daud 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), Morgan Stanley (Dubai), Sedco Capital (Saudi and Luxembourg) and Dow Jones Islamic Market Index (New York) amongst many others.</p> <p>Tan Sri serves as the Chairman of Federal Territory Islamic Religious Department [Majlis Agama Islam Persekutuan (MAIWP)]. In the corporate world, he is currently a member of the PNB Investment Committee. Previously, he served as a Board Director at Sime Darby Property Berhad and Chairman to Malaysia Islamic Economic Development Foundation (YaPEIM). In addition, he is the co-founder of Experts Analytics Centre Sdn Bhd and MyFinB Sdn. Bhd. He also serves as the Chairman of Berry Pay Sdn. Bhd., Data Sukan Consulting Sdn. Bhd., Bio Fluid Sdn. Bhd., KAB Gold Dynamics Sdn. Bhd., BioAngle Vacs Sdn. Bhd., Tulus Digital Sdn. Bhd., and Amanie-Afra Halal Capital Co (Bangkok).</p>

	<p>Recently, Tan Sri Dr Mohd Daud has received the “Royal Award for Islamic Finance 2022” by His Majesty, the King of Malaysia. While in 2014, he received the “Most Outstanding Individual” award by His Majesty, the King of Malaysia, in conjunction with the national-level Prophet Muhammad’s birthday. Under his leadership, Amanie Advisors received the “Islamic Economy Knowledge Infrastructure Award” at the Global Islamic Economy Summit, Dubai 2015, by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, Oct 2015. On 13 November 2021, he was conferred the Darjah Kebesaran Panglima Setia Mahkota (P.S.M.) which carries the title of “Tan Sri”.</p>
Qualifications:	<p>In the academic side, he was the 8th President of the International Islamic University of Malaysia (IIUM) due to his vast skill and experience serving the university. 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.</p>

Note: For more and/or updated information, please refer to our website at www.principal.com.my and/or Shariah Adviser’s website at www.amanieadvisors.com.

7. THE TRUSTEE

7.1. ABOUT HSBC (MALAYSIA) TRUSTEE BERHAD

HSBC (Malaysia) Trustee Berhad is a company incorporated in Malaysia since 1937 and is registered as a trust company under the Trust Companies Act 1949, with its registered address at Level 19, Menara IQ, Lingkaran TRX, 55188 Tun Razak Exchange, Kuala Lumpur. Since 1993, the Trustee has acquired experience in the administration of unit trusts and has been appointed as trustee for unit trust funds, exchange-traded funds, wholesale funds and funds under private retirement scheme.

7.1.1. Roles, Duties and Responsibilities of the Trustee

The Trustee's main functions are to act as trustee and custodian of the assets of the Fund and to safeguard the interests of Unit holders. In performing these functions, the Trustee has to exercise all due care, diligence and vigilance and is required to act in accordance with the provisions of the Deed, the CMSA and the GUTF. Apart from being the legal owner of the Fund's assets, the Trustee is also responsible for ensuring that the Manager performs its duties and obligations in accordance with the provisions of the Deed, the CMSA and the GUTF. In respect of moneys paid by an investor for the application of units, the Trustee's responsibility arises when the moneys are received in the relevant account of the Trustee and in respect of withdrawal, the Trustee's responsibility is discharged once it has paid the withdrawal amount to the Manager.

The Trustee has in place anti-money laundering and anti-terrorism financing policies and procedures across the HSBC Group, which may exceed local regulations. Subject to any local regulations, the Trustee shall not be liable for any loss resulting from compliance of such policies, except in the case of negligence, wilful default or fraud of the Trustee.

The Trustee is not liable for doing or failing to do any act for the purpose of complying with law, regulation or court orders.

The Trustee shall be entitled to process, transfer, release and disclose from time to time any information relating to the Fund, Manager and Unit holders for purposes of performing its duties and obligations in accordance to the Deed, the CMSA, the GUTF and any other legal and/or regulatory obligations such as conducting financial crime risk management, to the Trustee's parent company, subsidiaries, associate companies, affiliates, delegates, service providers, agents and any governing or regulatory authority, whether within or outside Malaysia (who may also subsequently process, transfer, release and disclose such information for any of the above mentioned purposes) on the basis that the recipients shall continue to maintain the confidentiality of information disclosed, as required by law, regulation or directive, or in relation to any legal action, or to any court, regulatory agency, government body or authority.

7.1.2. Trustee's Delegate

The Trustee has appointed the Hongkong and Shanghai Banking Corporation Ltd as the custodian of both the local and foreign assets of the Fund. For quoted and unquoted local investments of the Fund, the assets are held through HSBC Bank Malaysia Berhad and/or HSBC Nominees (Tempatan) Sdn Bhd. The Hongkong and Shanghai Banking Corporation Ltd is a wholly owned subsidiary of HSBC Holdings Plc, the holding company of the HSBC Group. The custodian's comprehensive custody and clearing services cover traditional settlement processing and safekeeping as well as corporate related services including cash and security reporting, income collection and corporate events processing. All investments are registered in the name of the Trustee or to the order of the Trustee. The custodian acts only in accordance with instructions from the Trustee.

The Trustee shall be responsible for the acts and omissions of its delegate as though they were its own acts and omissions.

However, the Trustee is not liable for the acts, omissions or failure of any third party depository such as central securities depositories, or clearing and/or settlement systems and/or authorised depository institutions, where the law or regulation of the relevant jurisdiction requires the Trustee to deal or hold any asset of the Fund through such third parties.

7.1.3. 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 rise to any proceedings which might materially affect the business/financial position of the Trustee.

7.1.4. Trustee's Statement of Responsibility

The Trustee has given its willingness to assume the position as trustee of the Fund and all the obligations in accordance with the Deed, all relevant laws and rules of law. The Trustee shall be entitled to be indemnified out of the Fund against all losses, damages or expenses incurred by the Trustee in performing any of its duties or exercising any of its powers under the Deed. The right to indemnity shall not extend to loss occasioned by breach of trust, wilful default, negligence, fraud or failure to show the degree of care and diligence required of the Trustee having regard to the provisions of the Deed.

8. SALIENT TERMS OF THE DEED

Money invested by you in the Fund will purchase a number of units, which represents your interest in the Fund. Each unit held in a Class represents an equal undivided beneficial interest in the assets of that Class. However, the unit does not give you an interest in any particular part of the Class 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 Class on the Business Day your details are entered onto the register of Unit holders.

8.1. RIGHTS, LIABILITIES AND LIMITATIONS OF UNIT HOLDERS

8.1.1. Rights

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

- (i) to inspect the register, free of charge, at any time at our registered office, and obtain such information pertaining to your units as permitted under the Deed and the GUTF;
- (ii) to receive the distributions of income (if any), participate in any increase in the value of the units and to enjoy such other rights and privileges as set out in the Deed;
- (iii) to call for Unit holders' meetings;
- (iv) to vote for the removal of the Trustee or the Manager through a Special Resolution;
- (v) to receive annual reports, interim reports or any other reports of the Fund; and
- (vi) to exercise the cooling-off right for qualified investors.

Unit holders' rights may be varied by changes to the Deed, the GUTF or judicial decisions or interpretation.

8.1.2. Liabilities

- (i) Your liability is limited to the purchase price per unit and the Application Fee paid or agreed to be paid for a unit. You need not 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 Class. The Unit holders of one Class will not be liable for any liabilities of the other Classes.
- (ii) The recourse of ours, the Trustee and any creditor is limited to the assets of the Fund.

8.1.3. Limitations

You cannot:

- (i) interfere with any rights or powers of ours and/or Trustee's 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: For full details of the rights of a registered Unit holder of the Fund, please refer to the Deed.

8.2. MAXIMUM FEES, CHARGES AND EXPENSES PERMITTED BY THE DEED

This table describes the maximum charges permitted by the Deed and payable directly by you.

Charges	Descriptions
(1) Application Fee	Up to 7.00% of the NAV per unit.
(2) Withdrawal Fee	Up to 5.00% of the NAV per unit.
(3) Switching Fee	A fee not exceeding 7.00% of the NAV per unit is chargeable on the number of units to be switched. An administrative fee in relation to switching may be charged as set out in the Prospectus.

This table describes the maximum fees permitted by the Deed and payable indirectly by you.

Fees	Descriptions
(1) Management Fee	Up to 3.00% per annum, calculated daily on the NAV.
(2) Trustee Fee	Up to 0.07% per annum, calculated daily on the NAV (including local custodian fee but excluding foreign sub-custodian fees and charges).

A lower fee and/or charges than what is stated in the Deed may be charged, all current fees and/or charges are disclosed in the Prospectus.

Any increase of the fees and/or charges above that stated in the Prospectus may be made provided that a supplemental prospectus is issued and the maximum stated in the Deed shall not be breached.

Any increase of the fees and/or charges above the maximum stated in the Deed shall require your approval.

8.2.1. Expenses permitted by the Deed

The Deed also provides for payment of other expenses, which include (without limitation) expenses connected with:

- commissions and/or fees paid to brokers or dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes or difference accounts;
- (where the foreign custodial function is delegated by the Trustee for the Fund's assets outside Malaysia), charges / fees paid to the sub-custodian;
- tax and other duties charged on the Fund by the government and other authorities if any and bank fees;
- the fees and other expenses properly incurred by the auditor and tax agent of the Fund;
- remuneration and out of pocket expenses of the person(s) or members of a committee undertaking the oversight function of the Fund, unless we decide to bear the same;
- fees incurred for the fund valuation and accounting of the Fund performed by a fund valuation agent;
- costs incurred for the modification of the Deed otherwise than for our benefit or Trustee's;
- costs incurred for any meeting of Unit holders other than those convened for our benefit or Trustee's;
- the sale, purchase, takaful, custody and any other dealings of investments including commissions/fees paid to brokers;
- costs involved with external specialists approved by the Trustee in investigating and evaluating any proposed investment;
- the engagement of advisers of all kinds;
- preparation and audit of the taxation returns and accounts of the Fund;
- termination of the Fund or Class and the retirement or removal of the Trustee or the Manager and the appointment of a new trustee or management company;
- any proceedings, arbitration or other dispute concerning the Fund, Class or any asset of the Fund, including proceedings against us or the Trustee by the other of them for the benefit of the Fund or Class (except to the extent that legal costs incurred for the defence of either of them are ordered by the court not to be reimbursed out of the Fund);
- all costs and/or expenses associated with the distributions declared pursuant to the Deed and the payment of such distribution including without limitation fees, costs and/or expenses for the revalidation or reissuance of any distribution cheque or warrant or telegraphic transfer; and
- costs of obtaining experts opinion by us or the Trustee for the benefit of the Fund or Class.

The Trustee and us are required to ensure that any fees or charges payable are reasonable and in accordance with the Deed.

8.3. RETIREMENT, REMOVAL OR REPLACEMENT OF THE MANAGER

We must retire as the manager when required to retire by law.

We may retire upon giving twelve (12) months' notice to the Trustee of our desire to do so, or such shorter time as we and the Trustee may agree, in favour of another corporation.

We shall retire under the following circumstances:

- if a Special Resolution is duly passed by the Unit holders that we are to be removed; or
- if we cease to be approved by the SC to be the management company of unit trust schemes.

We may be removed by the Trustee under certain circumstances outlined in the Deed. These include:

- if we have gone into liquidation (except for the purpose of reconstruction or amalgamation or some similar purpose) or if a receiver shall be appointed in respect of the undertaking or assets of the Manager or if any encumbrances shall take possession of any of its assets;
- if we cease to carry on business;
- if the Trustee is of the opinion that we have, to the prejudice of the Unit holders, failed to comply with any provision or covenant under the Deed or contravened any of the provisions of the CMSA;
- if we have failed or neglected to carry out our duties to the satisfaction of the Trustee and the Trustee considers that it would be in the interests of the Unit holders for it to do so, after the Trustee has given reasonable notice to it of that opinion and the reasons for that opinion, and has considered any representations made by us in respect of that opinion, and after consultation with the SC; or
- if a petition has been presented for the winding up against us (other than for the purpose of and followed by a reconstruction, unless during or following such reconstruction, we become or is declared insolvent).

In any of above said circumstances, we for the time being shall upon receipt of such notice by the Trustee cease to be the manager and the Trustee shall by writing under its seal appoint another corporation to be the manager of the Fund subject to such corporation entering into a deed(s) with the Trustee and thereafter act as manager during the remaining period of the Fund.

We may be replaced by another corporation appointed as manager by a Special Resolution of the Unit holders at a Unit holder's meeting convened in accordance with the Deed either by the Trustee or the Unit holders.

8.4. RETIREMENT, REMOVAL OR REPLACEMENT OF THE TRUSTEE

We and the Trustee may agree, and may by Deed appoint in its stead a new trustee approved by the SC.

The Trustee must retire as trustee of the Fund when required to retire by law. The Trustee may retire by giving twelve (12) months' notice to us or any shorter notice we accept.

We may remove the Trustee and the Trustee covenants that it will retire or be removed from the Fund constituted by or pursuant to the Deed if and when requested so to do by us if:

- the Trustee shall go into liquidation (except for the purpose of amalgamation or reconstruction or some similar purpose);
- the Trustee is placed under receivership, ceases to carry on business, fails or neglects its duties;
- the Trustee ceases to be approved by the SC to be a trustee for unit trust schemes; or
- a Special Resolution is duly passed by the Unit holders that the Trustee be removed.

Additionally, we are legislatively empowered under Section 299 of the CMSA to remove the Trustee under specific circumstances set out therein.

The Trustee may be replaced by another corporation appointed as trustee by a Special Resolution of the Unit holders at a Unit holders' meeting convened in accordance with the Deed either by us or the Unit holders.

8.5. TERMINATION OF THE FUND AND/ OR CLASS(ES)

The Fund or any of the Classes may be terminated or wound-up upon the occurrence of any of the following events:

- (a) the SC's authorization is withdrawn under Section 256E of the CMSA;
- (b) a Special Resolution is passed at a Unit holders' meeting of all the Unit holders of the Fund or the relevant Class to terminate or wind-up the Fund or that Class as the case may be, following the occurrence of events stipulated under Section 301(1) of the CMSA and the court has confirmed the resolution, as required under Section 301(2) of the CMSA;
- (c) a Special Resolution is passed at a Unit holders' meeting of all the Unit holders of the Fund or the relevant Class to terminate or wind-up the Fund or that Class as the case may be;
- (d) on reaching the Fund's or that Class's maturity date (if any); or
- (e) the effective date of an approved transfer scheme, as defined under the GUTF, has resulted in the Fund, which is the subject of the transfer scheme, being left with no asset/property.

A Class of the Fund may be terminated if a Special Resolution is passed at a Unit holders' meeting of that Class to terminate or wind-up that Class provided always that such termination or winding-up of that Class does not materially prejudice the interest of any other Class in that Fund.

Notwithstanding the above, the Fund and/or any of the Class may be terminated or wound-up, without the need to seek Unit holders' prior approval, as proposed by us with the consent of the Trustee (which consent shall not be unreasonably withheld) upon the occurrence of any of the following events, by giving a notice in writing to the Unit holders in accordance with the GUTF and the SC requirements (i) if any law shall be passed which renders it illegal or (ii) if in the reasonable opinion of the Manager it is impracticable or inadvisable to continue the Fund and/or the Class, and the termination of the Fund and/or Class is in the best interests of the Unit holders.

8.6. MEETINGS OF UNIT HOLDERS

A Unit holders' meeting may be called by us, the Trustee and/or Unit holders.

Where we or the Trustee convenes a meeting, the notice of the time and place of the meeting and terms of resolution to be proposed shall be given to the Unit holders of the Fund or of a particular Class, as the case may be by sending by post, or where allowed by any relevant law and/or authority, digitally or electronically, a notice of the proposed meeting at least fourteen (14) days before the date of the proposed meeting, to each Unit holder of the Fund or of a particular Class, as the case may be, at the Unit holder's last known address or, in the case of joint Unit holders, to the joint Unit holder whose name stands first in our records at the joint Unit holder's last known address.

We shall within twenty-one (21) days after an application is delivered to us at our registered office, being an application by not less than fifty (50), or one-tenth (1/10) in number, whichever is less, of the Unit holders of the Fund or a Class, as the case may be, to which the Deed relates, summon a meeting of the Unit holders:

- (a) by sending a notice by post, or where allowed by any relevant law and/or authority, digitally or electronically, of the proposed meeting at least seven (7) days before the date of the proposed meeting to each of those Unit holders of the Fund or that Class, as the case may be, at his/her last known address or in the case of joint Unit holder, to the joint Unit holder of the Fund or that Class, as the case may be, whose name stands first in our records at the joint Unit holder's last known address;
- (b) by publishing at least fourteen (14) days before the date of the proposed meeting, an advertisement giving notice of the meeting in a national language national daily newspaper and in one other newspaper as may be approved by the SC; and
- (c) specify in the notice, the place, time and terms of the resolutions to be proposed,

for the purpose of considering the most recent financial statements of the Fund or relevant Class, or for the purpose of requiring the retirement or removal of the Manager or the Trustee, or for the purpose of giving to the Trustee such directions as the meeting thinks proper, or for the purpose of considering any other matter in relation to the Deed.

The quorum for a meeting of Unit holders of the Fund is five (5) Unit holders of the Fund (irrespective of the Class), present in person or by proxy, provided that for a meeting which requires a Special Resolution the quorum for that meeting shall be five (5) Unit holders of the Fund (irrespective of the Class), whether present in person or by proxy, holding in aggregate at least twenty five per centum (25%) of the units in issue of the Fund (irrespective of the Class) at the time of the meeting. If the Fund has five (5) or less Unit holders, the quorum required shall be two (2) Unit holders of the Fund (irrespective of the Class), whether present in person or by proxy and if the meeting requires a Special Resolution the quorum for that meeting shall be two (2) Unit holders of the Fund (irrespective of the Class), whether present in person or by proxy, holding in aggregate at least twenty five per centum (25%) of the units in issue of the Fund (irrespective of the Class) at the time of the meeting. Where the Fund has only one (1) remaining Unit holder, such Unit holder, whether present in person or by proxy, at the meeting shall constitute a quorum required for the meeting of Unit holders. For the avoidance of doubt, the same quorum requirements shall apply to a meeting of Unit holders of a particular Class.

All voting shall be carried out by poll. On a poll, the votes of each Unit holder present in person or by proxy shall be proportionate to the number or value of units held. In the case of joint Unit holders, only the person whose name appears first in the register may vote. Units held by the Manager or its nominees shall have no voting rights in any Unit holders' meeting of the Fund or of the Class.

The Unit holders may participate in a Unit holders' meeting by video-conference, web-based communication, electronic or such other communication facilities or technologies available from time to time and to vote at the Unit holders' meeting. Participation by a Unit holder in a Unit holders' meeting by any of the communication facilities referred to in the Deed shall be deemed as present at the said Unit holders' meeting and shall be counted towards the quorum notwithstanding the fact that the Unit holder is not physically present at the main venue of where the Unit holders' meeting is to be held.

9. TAXATION REPORT

Ernst & Young Tax Consultants Sdn Bhd
Level 23A Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur

The Board of Directors
Principal Asset Management Berhad
10th Floor, Bangunan CIMB
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur

30 November 2022

Dear Sirs,

Taxation of the unit trust fund and unit holders

This letter has been prepared for inclusion in this Replacement Prospectus Issue No. M5 in connection with the offer of units in the unit trust known as Principal DALI Opportunities Fund (hereinafter referred to as "the Fund").

The purpose of this letter is to provide prospective unit holders with an overview of the impact of taxation on the Fund and the unit holders.

Taxation of the Fund

The taxation of the Fund is subject to the provisions of the Malaysian Income Tax Act 1967 (MITA), particularly Sections 61 and 63B.

Subject to certain exemptions, the income of the Fund comprising profits and other investment income derived from or accruing in Malaysia after deducting tax allowable expenses, is subject to Malaysian income tax at the rate of 24% with effect from the year of assessment 2016.

Tax allowable expenses would comprise expenses falling under Section 33(1) and Section 63B of the MITA. Section 33(1) permits a deduction for expenses that are wholly and exclusively incurred in the production of gross income. In addition, Section 63B allows unit trusts a deduction for a portion of other expenses (referred to as 'permitted expenses') not directly related to the production of income, as explained below.

"Permitted expenses" refer to the following expenses incurred by the Fund which are not deductible under Section 33(1) of the MITA:

- the manager's remuneration,
- maintenance of the register of unit holders,
- share registration expenses,
- secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage.

These expenses are given a partial deduction under Section 63B of the MITA, based on the following formula:

$$A \times \frac{B}{4C}$$

- where
- A is the total of the permitted expenses incurred for that basis period;
 - B is gross income consisting of dividend¹, interest and rent chargeable to tax for that basis period; and
 - C is the aggregate of the gross income consisting of dividend¹ and interest (whether such dividend or interest is exempt or not) and rent, and gains made from the realisation of investments (whether chargeable to tax or not) for that basis period,

¹ Pursuant to Section 15 of the Finance Act 2011, with effect from the year of assessment 2011, dividend income is deemed to include income distributed by a unit trust which includes distributions from Real Estate Investment Trusts.

provided that the amount of deduction to be made shall not be less than 10% of the total permitted expenses incurred for that basis period.

Exempt income

The following income of the Fund is exempt from income tax:

- **Malaysian sourced dividends**

All Malaysian-sourced dividends should be exempt from income tax.

- **Malaysian sourced interest**

- (i) interest from securities or bonds issued or guaranteed by the Government of Malaysia;
- (ii) interest from debentures or *sukuk*, other than convertible loan stock, approved or authorized by, or lodged with, the Securities Commission;
- (iii) interest from Bon Simpanan Malaysia issued by Bank Negara Malaysia;
- (iv) interest derived from Malaysia and paid or credited by banks licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013²;
- (v) interest derived from Malaysia and paid or credited by any development financial institution prescribed under the Development Financial Institutions Act 2002²;
- (vi) interest from *sukuk* originating from Malaysia, other than convertible loan stock, issued in any currency other than Ringgit and approved or authorized by, or lodged with, the Securities Commission or approved by the Labuan Financial Services Authority (LFSA)³; and
- (vii) interest which is specifically exempted by way of statutory orders or any other specific exemption provided by the Minister.

- **Discount**

Tax exemption is given on discount paid or credited to any unit trust in respect of investments as specified in items (i), (ii) and (iii) above.

Foreign sourced income

Pursuant to the Finance Act 2021, income derived by a resident person from sources outside Malaysia and received in Malaysia from 1 January 2022 will no longer be exempt from tax.

The Guidelines issued by the Malaysian Inland Revenue Board on 29 September 2022 define the term “received in Malaysia” to mean transferred or brought into Malaysia, either by way of cash⁴ or electronic funds transfer⁵.

Foreign-sourced income (FSI) received in Malaysia during the transitional period from 1 January 2022 to 30 June 2022 will be taxed at 3% of gross. From 1 July 2022 onwards, FSI received in Malaysia will be taxed at the prevailing tax rate(s) of the taxpayer and based on applicable tax rules. Bilateral or unilateral tax credits may be allowed if the same income has suffered foreign tax, and where relevant conditions are met.

² Effective from 1 January 2019, the income tax exemption for a unit trust fund, pursuant to Paragraph 35A, Schedule 6 of the MITA shall not apply to a wholesale fund which is a money market fund.

³ Effective from the year of assessment 2017, the exemption shall not apply to interest paid or credited to a company in the same group or interest paid or credited to a bank licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013; or a development financial institution prescribed under the Development Financial Institutions Act 2002.

⁴ “Cash” in this context is defined as banknotes, coins and cheques.

⁵ “Electronic funds transfer” means bank transfers (e.g., credit or debit transfers), payment cards (debit card, credit card and charge card), electronic money, privately-issued digital assets (e.g., crypto-assets, stablecoins) and central bank digital currency.

Income Tax (Exemption) (No. 6) Order 2022 has been issued to exempt a “qualifying person”⁶ from the payment of income tax in respect of dividend income which is received in Malaysia from outside Malaysia, effective from 1 January 2022 to 31 December 2026. The exemption will however not apply to a person carrying on the business of banking, insurance or sea or air transport. As the definition of “qualifying person” does not include unit trust funds, it would mean that resident unit trust funds would technically not qualify for the exemption, unless there are further updates thereto.

Gains from the realisation of investments

Pursuant to Section 61(1) (b) of the MITA, gains from the realisation of investments will not be treated as income of the Fund and hence, are not subject to income tax. Such gains may be subject to real property gains tax (RPGT) under the Real Property Gains Tax Act 1976 (RPGT Act), if the gains are derived from the disposal of chargeable assets, as defined in the RPGT Act.

Implementation of Sales and Service Tax (“SST”)

Sales and Service Tax (SST) was re-introduced effective 1 September 2018. Sales Tax of 10% (most common rate) or 5% is charged by Malaysian manufacturers of taxable goods or upon importation into Malaysia of such taxable goods, unless specifically exempted under the Sales Tax (Goods Exempted From Tax) Order 2018. Service Tax at the rate of 6% is charged on certain prescribed taxable services performed by taxable persons as stipulated under Service Tax Regulations 2018. The input tax recovery mechanism under the previous GST regime does not apply to SST. Therefore, any SST incurred is not recoverable and will form a cost element for businesses.

Based on the Service Tax Regulations 2018, a unit trust fund is neither regarded as a taxable person nor as providing taxable services and is therefore not liable for SST registration. Where the Fund incurs expenses such as management fees, the management services provided by asset and fund managers who are licensed or registered with Securities Commission Malaysia for carrying out the regulated activity of fund management under the Capital Markets and Services Act 2007, are specifically excluded from the scope of Service Tax. As for other fees, such as trustee fees and other administrative charges, these may be subject to 6% service tax provided they fall within the scope of service tax (i.e. are provided by a “taxable person”, who exceeds the required annual threshold (in most cases RM 500,000 per annum) and the services qualify as “taxable services”).

Taxation of unit holders

For Malaysian income tax purposes, unit holders will be taxed on their share of the distributions received from the Fund.

The income of unit holders from their investment in the Fund broadly falls under the following categories:

1. taxable distributions; and
2. non-taxable and exempt distributions.

In addition, unit holders may also realise a gain from the sale of units.

The tax implications of each of the above categories are explained below:

1. Taxable distributions

Distributions received from the Fund will have to be grossed up to take into account the underlying tax paid by the Fund and the unit holder will be taxed on the grossed up amount.

Such distributions carry a tax credit, which will be available for set-off against any Malaysian income tax payable by the unit holder. Should the tax deducted at source exceed the tax liability of the unit holder, the excess is refundable to the unit holder.

Please refer to the paragraph below for the income tax rates applicable to the grossed up distributions.

2. Non-taxable and exempt distributions

Tax exempt distributions made out of gains from the realisation of investments and exempt income earned by the Fund will not be subject to Malaysian income tax in the hands of the unit holders.

⁶ “Qualifying person” in this context means a person resident in Malaysia who is:

- (a) An individual who has dividend income received in Malaysia from outside Malaysia in relation to a partnership business in Malaysia;
- (b) A limited liability partnership which is registered under the Limited Liability Partnerships Act 2012; or
- (c) A company which is incorporated or registered under the Companies Act 2016.

A retail money market fund is exempted from tax on its interest income derived from Malaysia, pursuant to Paragraph 35A of Schedule 6 of the ITA. Pursuant to the Finance Act 2021, with effect from 1 January 2022, distributions by a retail money market fund from such tax exempt interest income, to a unit holder other than an individual, will no longer be exempt from tax. The distribution to unit holders other than individuals will be subject to withholding tax at 24%. This would be a final tax for non-residents. Malaysian residents are required to include the distributions in their tax returns and claim a credit in respect of the withholding tax suffered. Individuals will continue to be exempt from tax on such distributions.

Rates of tax

The Malaysian income tax chargeable on the unit holders would depend on their tax residence status and whether they are individuals, corporations or trust bodies. The relevant income tax rates are as follows:

Unit holders	Malaysian income tax rates
<p>Malaysian tax resident:</p> <ul style="list-style-type: none"> • Individual and non-corporate unit holders (such as associations and societies) • Co-operatives⁷ • Trust bodies • Corporate unit holders <ul style="list-style-type: none"> (i) A company with paid up capital in respect of ordinary shares of not more than RM2.5 million (at the beginning of the basis period for the year of assessment) and gross income from a source or sources consisting of a business not exceeding RM50 million for the basis period for the year of assessment^{8 9} (ii) Companies other than (i) above 	<ul style="list-style-type: none"> • Progressive tax rates ranging from 0% to 30% • Progressive tax rates ranging from 0% to 24% • 24% • First RM600,000 of chargeable income @ 17% • Chargeable income in excess of RM600,000 @ 24% <p>24%</p>
<p>Non-Malaysian tax resident (Note 1):</p> <ul style="list-style-type: none"> • Individual and non-corporate unit holders • Corporate unit holders and trust bodies 	<ul style="list-style-type: none"> • 30% • 24%

⁷ Pursuant to Paragraph 12(1), Schedule 6 of the MITA, the income of any co-operative society—

(a) in respect of a period of five years commencing from the date of registration of such co-operative society; and

(b) thereafter where the members' funds [as defined in Paragraph 12(2)] of such co-operative society as at the first day of the basis period for the year of assessment is less than seven hundred and fifty thousand ringgit, is exempt from tax.

⁸ A company would not be eligible for the 17% tax rate on the first RM600,000 of chargeable income if:-

(a) more than 50% of the paid up capital in respect of the ordinary shares of the company is directly or indirectly owned by a related company which has paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;

(b) the company owns directly or indirectly more than 50% of the paid up capital in respect of the ordinary shares of a related company which has paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;

(c) more than 50% of the paid up capital in respect of the ordinary shares of the company and a related company which has a paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment is directly or indirectly owned by another company.

⁹ The above excludes a business trust and a company which is established for the issuance of asset-backed securities in a securitization transaction approved by the Securities Commission.

Note 1:

Non-resident unit holders may be subject to tax in their respective countries depending on the provisions of the tax legislation in the respective countries and any existing double taxation arrangements with Malaysia.

Gains from sale of units

Gains arising from the realisation of investments will generally not be subject to income tax in the hands of unit holders unless they are insurance companies, financial institutions or traders / dealers in securities.

Unit splits and reinvestment of distributions

Unit holders may also receive new units as a result of unit splits or may choose to reinvest their distributions. The income tax implications of these are as follows:

- Unit splits – new units issued by the Fund pursuant to a unit split will not be subject to income tax in the hands of the unit holders.
- Reinvestment of distributions – unit holders may choose to reinvest their income distribution in new units by informing the Manager. In this event, the unit holder will be deemed to have received the distribution and reinvested it with the Fund.

We hereby confirm that, as at the date of this letter, the statements made in this letter correctly reflect our understanding of the tax position under current Malaysian tax legislation and the related interpretation and practice thereof, all of which are subject to change, possibly on a retrospective basis. We have not been retained (unless specifically instructed hereafter), nor are we obligated to monitor or update the statements for future conditions that may affect these statements.

The statements made in this letter are not intended to be a complete analysis of the tax consequences relating to an investor in the Fund. As the particular circumstances of each investor may differ, we recommend that investors obtain independent advice on the tax issues associated with an investment in the Fund.

Yours faithfully
Ernst & Young Tax Consultants Sdn Bhd

Bernard Yap
Partner

Ernst & Young Tax Consultants Sdn Bhd has given its consent to the inclusion of the Taxation Adviser’s Letter in the form and context in which it appears in this Replacement Prospectus Issue No. M5 and has not withdrawn such consent before the date of issue of this Replacement Prospectus Issue No. M5.

10. DISTRIBUTORS OF THE FUND

For Malaysia, currently only Class MYR of the Fund is available for sale. As at LPD, Class MYR is available for sale from the following branches:

10.1. OUR BRANCHES

Main Branch
Northern Branch
Southern Branch
Sarawak Branch
Sabah Branch
Melaka Branch
Kuantan Branch
Kota Bharu Branch

For information and updates on our branches, please contact our Customer Care Centre under the “Corporate Directory” section during business hour between 8:45 a.m. and 5:45 p.m. (Malaysian time) from Mondays to Fridays or refer to our website at www.principal.com.my.

10.2. PRINCIPAL DISTRIBUTORS

Nsg Wealth Advisors

No 8 Jalan BM 7/19
Seksyen 7
Bandar Bukit Mahkota
Kajang 43000 Selangor
Tel: (603) 8920 8277

Platinum

E5-03 Empire Damansara
Jalan PJU 8/8
Damansara Perdana
47820 Petaling Jaya
Tel: (603) 7843 0506

Dynamics Wealth Advisors

(formerly known as Star Pesona Advisors)
(secondly known as Professional 5 star wealth advisors)
Unit B-3A-1 Setiawangsa Business Suites
Jalan Setiawangsa 11
Taman Setiawangsa
54200 Kuala Lumpur
Tel: (603) 4256 6277

Megas

2-6A Jalan PJU 8/3A
Bandar Damansara Perdana
47820 Petaling Jaya
Selangor
Tel: (603) 7725 6320

Amg Synergy Multiresources Sdn Bhd

3rd Floor
No 45 Jalan Teluk Sisek
25000 Kuantan Pahang
Tel: (609) 5161 430

Charisma Legacy

B-1-22 & B-2-22 & B-2-21
Block B 10 Boulevard
Jalan Cempaka Sungai Kayu Ara
47400 Petaling Jaya
Selangor
Tel: (603) 7722 3895

AAAAA Wealth Builders

(formerly known as O-tye Group Consultants)
Lot C-615 & Lot C-616
Level 6 Block C Kelana Square
17 Jalan SS7/26
Kelana Jaya
47301 Petaling Jaya Selangor
Tel: (603) 7880 6893

My Financial Freedom Advisors

(formerly known as M\$G Prominent Consultants)
No.3A, Jalan Hentian 3
Pusat Hentian Kajang
43000 Kajang
Selangor
Tel: (603) 8741 4382

Preferred Wealth Advisors

(formerly known as Titan Empire)
No 12-01 D'bayu Business Center
Jalan Serambi U8/24
Bukit Jelutong
40150 Shah Alam
Selangor
Tel: (603) 6142 8382

Otye Xcellence Consultants

Lot No 35-2 2nd Floor
Jalan Sepah Puteri 5/1B
Pusat Dagangan Seri Utama
PJU 5 Kota Damansara
47410 Selangor
Tel: (603) 6140 3046

Elite Group Consultants
No 6-2 Jalan Dagang 1/1A
Taman Dagang
68000 Ampang
Selangor
Tel: (603) 4251 1129

Success Concepts Life Planners
J-06-01 Level 6 Block J
Solaris Mont' Kiara
Jalan Solaris
50480 Kuala Lumpur
Tel: (603) 6204 0113

Aces Advisors
Unit D5-6 Ritze Perdana 1
Jalan PJU 8/2
Damansara Perdana
47820 Petaling Jaya, Selangor
Tel: (6016) 2292 342

GVG Solution Agency
No. 12-01 Jalan Setia Tropika 1/29
Taman Setia Tropika
Johor Bahru
81200 Johor
Tel: (607) 2326 976

Tremendous Wealth Advisors
No 11 Level 2
Jalan Pelabur B 23/B
Section 23
40300 Shah Alam
Selangor Darul Ehsan
Tel: (603) 5480 0296

Soha Barakah Wealth Consultancy
No 55-2, 57-2, 59-2
Jalan Tu 49A Taman Tasik Utama
Ayer Keroh
75450 Melaka
Tel: (606) 2533 289

Evoque Wealth Advisors
2nd Floor No 32A-2 Jalan PJU 5/20d The Strand
Pusat Perdagangan Kota Damansara
Kota Damansara PJU 5
47810 Petaling Jaya
Selangor
Tel: (603) 6151 9512

Premierone Wealth
No 527-1 Jalan Pusat Bandar Senawang
Pusat Bandar Senawang
70450 Senawang
Negeri Sembilan
Tel: (606) 6718 253

Charisma Legacy 1
B-3-21 Block Bougainvillea
10 Boulevard Lebuhraya Sprint PJU 6A
47400 Petaling Jaya
Selangor
Tel: (603) 7733 5009

Prestige Wealth Advisors
I-91-2 Block I
Jalan Teknologi 3/9
Kota Damansara
47810 Petaling Jaya
Selangor
Tel: (603) 6140 7275

Magnificent Champion Agency Office
47A, Tingkat 1
Jalan Badminton 13/29
Seksyen 13, Shah Alam
40100 Selangor
Tel: (603) 5523 2693

Premier Wealth Advisors
No 18-1 S2 B18
Biz Avenue Seremban 2
70300 Seremban
Negeri Sembilan
Tel: (606) 6015 749

My IFP Kemaman
PT 10725, Ground Floor
Jalan Kubang Kurus
Taman Cukai Utama Fasa 4
24000 Kemaman
Terengganu
Tel: (609) 8589 911

Wealth Resources Group Advisors
No 41B 3B Curve Business Park
Medan Pusat Bandar 2D Seksyen 9
43650 Bandar Baru Bangi
Selangor
Tel: (603) 8926 4155

GVG Pasir Gudang Solution
No 38-01 Jalan Serangkai 18
Taman Bukit Dahlia
81700 Pasir Gudang
Johor
Tel: (6012) 7076 107

KPG Management Resources
19-1 Jalan Adenium 2G/9
Adenium Business Center
Bukit Beruntung
48300 Rawang
Selangor
Tel: (603) 6021 7385

Victorious Agency
33-01 Jalan Tampoi Susur 1
81200 Johor Bahru
Johor
Tel: (6011) 1211 840

KPG Elite Billionaire
No 15-1 Jalan Adenium 2g/9
Adenium Business Centre
48300 Bukit Beruntung
Rawang Selangor
Tel: (603) 6021 7188

Nrich Wealth Advisory Group

ZP-02-12 Zest Point
Lebuhraya Bukit Jalil
Bandar Kinrara
47180 Puchong
Selangor
Tel: (603) 8074 8485

Synergy Wealth Entrepreneur

98-2 Jalan Dwtasik
Dataran Dwtasik
Bandar Sri Permaisuri
Cheras
56000 Kuala Lumpur
Tel: (603) 9226 5344

KPG Capital Growth Solution

No 15-1 Jalan Adenium 2G/9
Adenium Business Centre
48300 Bukit Beruntung
Rawang Selangor
Tel: (603) 6021 7188

NZ Group

PT 650 1st & 2nd Floor
Jalan Sri Cemerlang
Seksyen 27
15300 Kota Bharu
Kelantan
Tel: (609) 7476 932

Zenith Premier Wealth Advisors

No 98 Second Floor
Jalan Legenda 1
Legenda Heights
08000 Sungai Petani
Kedah
Tel: (604) 4246 042

Millionaire Empire Group

23-1 Jalan Rejang 4
Setapak Jaya
53300 Kuala Lumpur
Tel: (603) 4141 6644

Charisma Legacy 3

B-3-17 Blok Bouganvilla 10 Boulevard
Lebuhraya Sprint Pju 6A Kayu Ara
Damansara Jaya
47400 Petaling Jaya
Selangor
Tel: (603) 7733 4211

Charisma Legacy Kota Bharu

PT1671 & 1672 Tingkat 2
Jalan Raja Perempuan Zainab 2
Kubang Kerian
16150 Kota Bharu
Kelantan
Tel: (6016) 2236 343

Global Amazing Entrepreneur

C-10-2 & C-11-2
Bangi Gateway Shopping Complex
Persiaran Pekililing Seksyen 15
43650 Bandar Baru Bangi
Selangor
Tel: (603) 8920 9038

Charisma Legacy 2

B-3-25 Block Bougainvillea
10 Boulevard Lebuhraya Sprint
PJU 6A
47400 Petaling Jaya
Selangor
Tel: (603) 7733 2460

Sa@7

No. 35B-2 (2nd Floor)
Jalan Keluli Am 7/AM
Pusat Perniagaan Bukit Raja Seksyen 7
400000 Shah Alam
Selangor
Tel: (603) 3341 4978

Finaims

Suite 3a Level 4 Starling Mall
Damansara Uptown
47400 Petaling Jaya
Selangor
Tel: (6013) 3257 653

10.3. IUTAs

CIMB Bank Berhad
CIMB Islamic Bank Berhad
Kenanga Investment Bank Berhad

Note: We have the discretion in determining the Distributors of the Classes of the Fund, including its appointment and/or termination from time to time. For updated and more information on the Distributors of the Classes of the Fund, please contact our Customer Care Centre under the “Corporate Directory” section during business hour between 8:45 a.m. and 5:45 p.m. (Malaysian time) from Mondays to Fridays or refer to our website at www.principal.com.my.

ANNEXURE - CLASS MYR

This section is only a summary of the salient information about Class MYR. You should read and understand the entire Prospectus before investing and keep the Prospectus for your records. In determining which investment is right for you, we recommend you speak to professional advisers. Principal Asset Management Berhad, member companies of PFG, CIMB Group and the Trustee do not guarantee the repayment of your capital.

The Fund is a multi-class fund and is allowed to establish new Class(es) from time to time without your prior consent. As this Fund is a Qualifying CIS under the ASEAN CIS Framework, there are Classes of the Fund that may be offered to investors in other countries that participate in the ASEAN CIS Framework.

CLASS INFORMATION

Class MYR		Page
Currency denomination	MYR	
Distribution policy	Given the Fund's investment objective, the Fund is not expected to pay any distribution. Distributions, if any, will be incidental and will vary from period to period depending on market conditions and performance of the Fund.	19

FEES & CHARGES

This table describes the charges that you may **directly** incur when you buy or withdraw units.

Charges	Class MYR	Page
Application Fee*	Up to 6.50% of the NAV per unit.	9
Withdrawal Fee	Nil.	9
Dilution fee	Nil.	
Switching Fee	Switching is treated as a withdrawal from this Class and an investment into another Class or Principal Malaysia's fund (or its class). As such, you may be charged a Switching Fee equal to the difference (if any) between the Application Fee of this Class and the Application Fee of the other Class or Principal Malaysia's fund (or its class). Switching Fee will not be charged if the Class or Principal Malaysia's fund (or its class) to be switched into has a lower Application Fee. In addition, we may impose MYR100 as the administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fee with us or our Distributors. We also have the discretion to waive the Switching Fee and/or administrative fee.	9
Transfer Fee	A maximum of MYR50.00 may be charged for each transfer.	9
Other charges payable directly by you when purchasing or withdrawing the units	Any applicable bank charges and other bank fees incurred as a result of an investment or withdrawal will be borne by you.	

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

This table describes the fees that you may **indirectly** incur when you invest.

Fees	Class MYR	Page
Management Fee	Up to 1.50% per annum of the NAV of the Class in Malaysia.	10
Trustee Fee	Up to 0.05% per annum (including local custodian fees and charges but excluding foreign sub-custodian fees and charges) on the NAV of the Fund. The foreign sub-custodian fees and charges is dependent on the country invested and is charged monthly in arrears.	10
Expenses directly related to the Fund or Class	Only expenses that are directly related to the Fund or Class can be charged to the Fund or Class respectively. Examples of relevant expenses are audit fee and tax agent's fee.	10
Other fees payable indirectly by you when investing in the Fund	Nil.	

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

TRANSACTION INFORMATION

	Class MYR	Page
Minimum initial investment[#]	MYR500 or such other amount as we may decide from time to time.	17
Minimum additional investment	MYR200 or such other amount as we may decide from time to time.	17
Minimum withdrawal	800 units or such other number of units as we may decide from time to time.	17
Minimum balance	1,000 units or such other number of units as we may decide from time to time.	17
Regular Savings Plan	RSP is available. It allows you to make regular monthly investments [#] of MYR200 or more, directly from your account held with a bank approved by us or our Distributors. The minimum initial investment for the RSP is MYR500 or such other amount as we may decide from time to time.	17
Cooling-off period	Six (6) Business Days from the date the complete application is received and accepted by us or our Distributors from the first time individual investor investing with us or our Distributors. However, Principal Malaysia's staff and person(s) registered with a body approved by the SC to deal in unit trust funds are not entitled to the cooling-off right.	17
Switching	Switching will be conducted based on the value of your investment in the Class. The minimum amount for a switch is subject to: <ul style="list-style-type: none"> ▪ for switching out of the Class: <ul style="list-style-type: none"> ○ the minimum withdrawal applicable to the Class; ○ the minimum balance required (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). You may negotiate to lower the amount for your switch with us or our Distributors.	18
Transfer	We may, at our absolute discretion, allow or refuse transfer of units subject to such terms and conditions as may be stipulated in the Deed.	18

[#]The minimum initial investment for EPF-MIS (where available) shall be MYR1,000 or such other amount as may be determined by EPF or as per the amount stated above, whichever is higher. Please note that there may be changes to the status of the eligibility of the Fund under the EPF-MIS from time to time. Please refer to our website at www.principal.com.my or www.kwsp.gov.my for updated information.

Note: We reserve our sole and absolute discretion without providing any reason whatsoever and at any time to accept, reject, amend, vary, waive and/or reduce (as the case maybe): (i) your request for a lower amount or number of units when purchasing units (or additional units) or withdrawing units; and/or (ii) the minimum balance. For increase in the number of units for minimum withdrawal and minimum balance, we will require concurrence from the Trustee and you will be notified of such changes.

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

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 you and/or the Fund as disclosed or illustrated in this Prospectus.

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

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Principal Asset Management Berhad (199401018399 (304078-K))

Enquiries:

Customer Care Centre **+603 7723 7260**

Email **service@principal.com.my**

Website **www.principal.com.my**