

# INFORMATION MEMORANDUM CIMB-PRINCIPAL ISLAMIC WHOLESALE USD MONEY MARKET FUND

**FORWARD**  Your Investments



**Manager** : CIMB-Principal Islamic Asset Management Sdn Bhd (217841-M)

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

This Information Memorandum for the CIMB-Principal Islamic Wholesale USD Money Market Fund is dated 31 October 2018.

This Fund is constituted on 31 October 2018.

**DISCLAIMER: PLEASE READ THE INFORMATION MEMORANDUM AND OBTAIN PROFESSIONAL ADVICE BEFORE SUBSCRIBING TO THE FUND.**

**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.**

# ABOUT THIS DOCUMENT

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

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

If you have any questions about the Fund, please contact Institutional and International Sales at (603) 2084 8888 between 8:45 a.m. and 5:45 p.m. (Malaysian time) on Mondays to Thursdays and between 8:45 a.m. and 4:45 p.m. (Malaysian time) on Fridays (except on Kuala Lumpur public holidays).

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directives, notices, legislation or statutes for the time being in force, as may be amended varied, modified, updated, superseded and/or re-enacted from time to time.

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

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

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

**YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IF YOU ARE IN DOUBT, PLEASE CONSULT YOUR PROFESSIONAL ADVISERS IMMEDIATELY.**

# DEFINITIONS

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

|                                       |  |
|---------------------------------------|--|
| Application Fee                       | - Preliminary charge on each investment.   |
| Business Day                          | - Mondays to Fridays when Bursa Malaysia Securities Berhad is open for trading, and banks in Kuala Lumpur and/or Selangor are open for business.<br><b>Note:</b> We may declare certain Business Days to be a non-Business Day for the Fund, if the Fund's investment in foreign markets (if any) which are closed for business or suspended is at least 50% of the Fund's NAV. This information will be communicated to you via our website at <a href="http://www.cimb-principalislamic.com">http://www.cimb-principalislamic.com</a> . Alternatively, you may contact our Institutional and International Sales at (603) 2084 8888. |
| CIMB Group                            | - CIMB Group Sdn. Bhd.   |
| CIMB Islamic or Shariah Adviser       | - CIMB Islamic Bank Berhad.  |
| CIMB-Principal Islamic or the Manager | - CIMB-Principal Islamic Asset Management Sdn Bhd.   |
| CIMB-Principal Islamic Fund           | - Any unit trust funds that may be offered by CIMB-Principal Islamic.  |
| Class                                 | - Any Class of units representing similar interests in the assets of the Fund.<br><b>Note:</b> For more information, please see page 1 and Annexure 1 of the respective Class.   |
| Class USD                             | - The Class of units issued by the Fund denominated in USD.  |
| CMSA                                  | - Capital Markets and Services Act 2007.   |
| Deed                                  | - The principal and any supplemental deed in respect of the Fund made between the Manager, the Trustee and the Unit holders of the Fund, agreeing to be bound by the provisions of the Deed.   |
| Distributors                          | - Any relevant persons and bodies appointed by us from time to time, who are responsible for selling the units of the Fund.  |
| FIMM                                  | - Federation of Investment Managers Malaysia.  |
| Fund or WMMF-USD                      | - CIMB-Principal Islamic Wholesale USD Money Market Fund.  |
| Information Memorandum                | - Refers to this Information Memorandum in respect of the Fund and includes any addendum and/or supplemental to the Information Memorandum or replacement Information Memorandum, as the case may be.  |
| Islamic Deposit                       | - As per the definition of "Islamic deposit" in the Islamic Financial Services Act 2013 and Development Financial Institutions Act 2002.<br><b>Note:</b> To exclude Islamic structured deposits.   |
| IUTA                                  | - Institutional Unit Trust Advisers.   |
| LPD                                   | - Latest Practicable Date i.e. 30 September 2018, in which all information provided herein, shall remain current and relevant as at such a date.   |
| Management Fee                        | - A percentage of the NAV of the 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. The apportionment is expressed as a ratio and calculated as a percentage.  |
| NAV                                   | - Net Asset Value.   |
| NAV of the Fund                       | - The NAV of the Fund is the value of all the Fund's assets less the value of all the Fund's liabilities, at the point of valuation. For the purpose of computing the annual Management Fee (if any) and annual Trustee Fee (if any), the NAV of the Fund should be inclusive of the Management Fee and Trustee Fee for the relevant day. The NAV of a Class is the NAV of the Fund attributable to a Class at the same valuation point.   |
| NAV per Unit                          | - The NAV attributable to a Class of units divided by the number of units in circulation for that Class, at the valuation point.   |
| PFG                                   | - Principal Financial Group and its affiliates.  |
| PFS                                   | - Principal Financial Services, Inc.   |
| RM or MYR                             | - Malaysian Ringgit.   |
| SAC                                   | - Shariah Advisory Council.  |
| SC                                    | - Securities Commission Malaysia.  |
| SC Guidelines                         | - SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.  |
| Shariah                               | - Islamic law, originating from the Qur'an (the holy book of Islam), and its practices and explanations rendered by the Prophet Muhammad (pbuh) and ijihad of ulamak (personal effort by qualified Shariah scholars to determine the true ruling of the divine law on matters whose revelations are not explicit).   |
| Sophisticated Investor                | - Refers to investors as we determine as qualified or eligible to invest in the Fund and that fulfil any laws, rules, regulation, restrictions or requirements imposed by the respective country's regulators where the Fund is open for sale. For investors in Malaysia, this refers to any person who falls within any of the categories of investors set out in Part 1, Schedule 6 and 7 of the CMSA.<br><b>Note:</b> For more information, please see Annexure 2 for the current excerpts of Part 1, Schedules 6 and   |

*7 of the CMSA.*

|                    |  |
|--------------------|--|
| Special Resolution | - A resolution passed by a majority of not less than three-fourth (3/4) of the Unit holders of the Fund or a Class, as the case may be, voting at a meeting of Unit holders duly convened and held in accordance with the provisions of the Deed and representing at least three-fourth (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 (whether in person or by proxy) duly convened and held in accordance with the provisions of the Deed. |
| 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            | - PB Trustee Services Berhad.  |
| Trustee Fee        | - A percentage of the NAV of the Fund that is paid to the Trustee for its services rendered as trustee for the Fund.   |
| Unit holder        | - The registered holder for the time being of a unit of any Class including persons jointly registered.  |
| US or USA          | - United States of America.  |
| USD                | - United States Dollar.  |
| Wholesale Fund     | - A unit trust scheme established in Malaysia where the units are to be issued, offered for subscription or purchase, or for which invitations to subscribe for or purchase the units are to be made, exclusively to Sophisticated Investor.   |
| Withdrawal Fee     | - A charge levied upon redemption under certain terms and conditions (if applicable).  |

**Note:**

Unless the context otherwise requires, words importing the singular number should include the plural number and vice versa.

# TABLE OF CONTENTS

|   |           |
|---|-----------|
| <b>DEFINITIONS .....</b>  | <b>ii</b> |
| <b>1. FUND INFORMATION .....</b>  | <b>1</b>  |
| 1.1. CIMB-PRINCIPAL ISLAMIC WHOLESALE USD MONEY MARKET FUND.....            | 1         |
| 1.2. PERMITTED INVESTMENTS.....   | 1         |
| 1.3. INVESTMENT RESTRICTIONS AND LIMITS .....                               | 1         |
| 1.4. SHARIAH INVESTMENT GUIDELINES.....                                     | 2         |
| 1.5. APPROVALS AND CONDITIONS .....   | 2         |
| 1.6. FINANCING .....  | 3         |
| 1.7. RISK FACTORS .....   | 3         |
| <b>2. FEES, CHARGES AND EXPENSES .....</b>                                  | <b>5</b>  |
| 2.1. CHARGES.....   | 5         |
| 2.2. FEES AND EXPENSES.....   | 5         |
| 2.3. REBATES AND SOFT COMMISSIONS.....                                      | 6         |
| <b>3. TRANSACTION INFORMATION .....</b>                                     | <b>7</b>  |
| 3.1. VALUATION OF INVESTMENTS PERMITTED BY THE FUND .....                   | 7         |
| 3.2. UNIT PRICING.....  | 7         |
| 3.3. INCORRECT PRICING.....   | 9         |
| 3.4. INVESTING .....  | 9         |
| 3.5. MINIMUM INVESTMENTS .....  | 10        |
| 3.6. MINIMUM WITHDRAWALS .....  | 10        |
| 3.7. MINIMUM BALANCE .....  | 10        |
| 3.8. COOLING-OFF PERIOD .....   | 11        |
| 3.9. SWITCHING .....  | 11        |
| 3.10. TRANSFER FACILITY .....   | 11        |
| 3.11. DISTRIBUTION PAYMENT .....  | 11        |
| 3.12. UNCLAIMED MONEYS .....  | 11        |
| <b>4. ADDITIONAL INFORMATION .....</b>                                      | <b>13</b> |
| 4.1. FINANCIAL YEAR-END.....  | 13        |
| 4.2. INFORMATION ON YOUR INVESTMENT .....                                   | 13        |
| 4.3. TERMINATION OF FUND AND/OR ANY OF THE CLASSES .....                    | 13        |
| 4.4. RIGHTS, LIABILITIES AND LIMITATIONS OF UNIT HOLDERS.....               | 13        |
| 4.5. DOCUMENTS AVAILABLE FOR INSPECTION.....                                | 14        |
| 4.6. POTENTIAL CONFLICTS OF INTERESTS AND RELATED-PARTY TRANSACTIONS.....   | 14        |
| 4.7. INTERESTS IN THE FUND .....  | 15        |
| 4.8. EMPLOYEES' SECURITIES DEALINGS.....                                    | 15        |
| <b>5. THE MANAGER.....</b>  | <b>16</b> |
| 5.1. ABOUT CIMB-PRINCIPAL ISLAMIC ASSET MANAGEMENT SDN BHD.....             | 16        |
| <b>6. SHARIAH ADVISER OF THE FUND .....</b>                                 | <b>17</b> |
| 6.1. ABOUT CIMB ISLAMIC BANK BERHAD .....                                   | 17        |
| <b>7. THE TRUSTEE.....</b>  | <b>18</b> |
| 7.1. ABOUT PB TRUSTEE SERVICES BERHAD .....                                 | 18        |
| <b>ANNEXURE 1 – CLASS USD .....</b>   | <b>19</b> |
| <b>ANNEXURE 2 – EXCERPTS OF PART 1, SCHEDULES 6 AND 7 OF THE CMSA .....</b> | <b>22</b> |

# 1. FUND INFORMATION

## 1.1. CIMB-PRINCIPAL ISLAMIC WHOLESALE USD MONEY MARKET FUND

|                             |   |
|-----------------------------|---|
| <b>Fund Category/Type</b>   | : Wholesale Fund (Money Market - Shariah-compliant)/ Income.  |
| <b>Investment Objective</b> | : The Fund seeks to provide liquidity and income by investing primarily in money market instruments and deposits that conform to Shariah principles.<br><i>We will require your approval if there is any material change to the Fund's objective.</i>   |
| <b>Benchmark</b>            | : CIMB Islamic 1-month USD Fixed Return Income Account-i (USD FRIA-i) for performance comparison purpose only.<br><b>Note:</b> You are cautioned that the risk profile of the Fund is different from the benchmark. The information of the benchmark can be obtained from <a href="http://www.cimb-principalislamic.com">http://www.cimb-principalislamic.com</a> . |
| <b>Distribution Policy</b>  | : The distribution policy of each of the Class may differ. Please refer to the Annexure 1 of the respective Class for more information. You may also refer to page 11 for information on the distribution payment.  |

### Base Currency & Classes

The base currency of the Fund is USD.

Please note that the Fund is established with a multi-class structure 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 have materially the same rights and obligations. Each Class may be different in terms of currency denomination, fees and charges and/or distribution policy 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.

Currently, the Class(es) below are available for sale. Please refer to the Annexure for further details on the Classes. You should note that we have the discretion to decide on the offering of other Classes for sale in the future. This information will be communicated to you via our website at <http://www.cimb-principalislamic.com>. When in doubt, you should consult professional advisers for better understanding of the multi-class structure before investing in the Fund.

| Name of Class | Launch Date     | Initial offer period | Initial offer price per unit |
|---------------|-----------------|----------------------|------------------------------|
| Class USD     | 31 October 2018 | Up to 21 days        | USD 1.0000                   |

### Investment Policy and Principal Investment Strategy

The Fund will invest up to 100% of its NAV in Shariah-compliant money market instruments and placements of Islamic Deposits. The Fund will be actively managed. The strategy is to invest in liquid and low risk short-term investments for capital preservation\*.

The Fund may invest in foreign markets where the regulatory authorities are ordinary or associate members of the International Organisation of Securities Commissions (IOCSO). Where necessary, we will obtain the licenses/permits for investments in countries that require licenses/permits. If we are unable to obtain the necessary licenses/permits, or the licenses/permits are revoked or not renewed (as the case may be), we will seek to invest in other accessible markets. Notwithstanding the aforesaid, we may decide not to invest in foreign securities.

Risk management is at the core of our investment process. Every proposed decision made by the investment team is considered in the context of the overall portfolio risk-return trade-off. The Fund will only invest in liquid investments with capital preservation\*. Our investment committee reviews the counterparties on a regular basis to ensure that the Fund invests in accordance with the Fund's objective. The Fund is constructed and managed within the internal guidelines such as risk-return trade-off, which will be monitored and reviewed regularly by the investment team. When deemed necessary, we may also utilize Shariah-compliant derivative instruments for the purpose of hedging.

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

### Asset Allocation

Up to 100% of the Fund's NAV will be invested in Shariah-compliant money market instruments and/or Islamic Deposits.

## 1.2. PERMITTED INVESTMENTS

The Fund will invest in the following investments:

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

## 1.3. INVESTMENT RESTRICTIONS AND LIMITS

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

- The value of the Fund's investment in Shariah-compliant money market instruments and/or Islamic Deposits must not exceed 100% of the Fund's NAV.

#### 1.4. SHARIAH INVESTMENT GUIDELINES

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

##### Screening process

1. For investment in Shariah compliant money market instruments, the Fund shall invest in the instruments that are approved by SAC of BNM and/or the SAC of the SC. Any investment in the Shariah compliant money market instruments which have been endorsed by Shariah adviser/committee other than the appointed Shariah Adviser, such investment must also be approved by the appointed Shariah Adviser upon review of the necessary and relevant documentation e.g. principal terms and conditions, Shariah pronouncements and/or other necessary approvals.
2. For placement of Islamic Deposits, it shall be placed in Islamic deposit account offered by financial institutions licensed under the Islamic Financial Services Act 2013, Financial Services Act 2013 and/or Development Financial Institutions Act 2002, whichever is appropriate. For foreign Islamic Deposits placement, it shall be placed in the non-interest-bearing deposit account. In the absence of such account, the Deposits may be placed in the interest bearing account subject to the Fund is prohibited from recognizing any interest income derived therefrom.

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

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

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

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

2. Shariah non-compliant instruments.

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

##### Cleansing process

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

##### Periodic review

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

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

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

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

#### 1.5. APPROVALS AND CONDITIONS

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



## 1.6. FINANCING

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

## 1.7. RISK FACTORS

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

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

#### Returns not guaranteed

The investment of the fund is subject to market fluctuations and its inherent risk. There is **NO GUARANTEE** on the investment returns, nor any assurance that the fund's investment objective will be achieved.

#### General market environment risk

Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the fund's NAV.

#### Inflation risk

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

#### Manager's risk

This risk refers to the day-to-day management of the fund by the manager which will impact the performance of the fund. For example, investment decisions undertaken by the manager, as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the deed, relevant law or guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the fund.

#### Financing risk

This risk occurs when you obtain financing to finance your investment. The inherent risk of investing with money obtained from financing includes you being unable to service the financing payments. In the event units are used as collateral, you may be required to top-up your existing instalment if the prices of units fall below a certain level due to market conditions. Failing which, the units may be sold at a lower NAV per unit as compared to the NAV per unit at the point of purchase towards settling the financing.

#### Reclassification of Shariah status risk

This risk refers to the risk that the currently held Shariah-compliant securities in the fund may be reclassified as Shariah non-compliant in the periodic review of the securities by the SAC of the SC, Shariah adviser of the issuer, the Shariah Adviser or the Shariah boards of the relevant Islamic indices. If this occurs, we will take the necessary steps to dispose such securities. There may be opportunity loss to the fund due to the fund not being allowed to retain the excess gains derived from the disposal of the Shariah non-compliant securities.

In the event that the Shariah non-compliant securities are disposed at a price lower than the investment cost, it may adversely affect the value of the fund. Thus, it may cause the NAV of the fund or prices of units to fall.

### 1.7.2. SPECIFIC RISKS RELATED TO THE FUND

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

#### Credit and default risk

Investment of the Fund may involve a certain degree of credit and default risk. Generally, credit and default risk is the risk of loss due to the counterparty's and/or issuer's non-payment or untimely payment of the investment amount as well as the returns on investment. We aim to mitigate this risk by performing fundamental credit research and analysis to determine the creditworthiness of its counterparty and/or issuer.

**Investment in the Fund is not the same as placement in Islamic Deposit with a licensed financial institution. There are risks involved and investors should rely on their own evaluation to assess the merits and risks when investing in the Fund.**

#### Interest rate risk

Interest rate risk is the risk that an investment's value will be affected due to a change in the level of interest rates. Such changes usually affect the investments inversely and can be reduced by managing the duration of the portfolio via shorter or longer tenured assets depending on the view of the future interest rate trend of the Manager, which is based on its continuous fundamental research and analysis.

**Please note that although Islamic Deposit is a non-interest bearing instrument, the profit rate is correlated to the movement in the interest rates. As such, even though the Fund does not invest in interest bearing instruments, the profit rate of Islamic Deposit will be affected by the movement in interest rates and consequently the value of the investment of the Fund may be affected.**

#### Country risk

Investments of the Fund in any country may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund invests in. For example, the deteriorating economic condition of such countries may adversely affect the value of the investments undertaken by the Fund in those affected countries. This in turn may cause the NAV of the Fund or prices of units to fall.



## Currency risk

There are 2 levels of currency risk associated with the investment of this Fund:

- **Currency risk at the Fund's portfolio level**

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

- **Currency risk at the Class level**

You should also be aware that currency risk is applicable to Class(es) which is in a different currency than the base currency of the Fund. The impact of the exchange rate movement between the base currency of the Fund and the currency denomination of the respective Class(es) may result in a depreciation of the value of your holdings as expressed in the currency denomination of the respective Class(es).

You should realise that currency risk is considered as one of the major risks due to the volatile nature of the foreign exchange market. When deemed necessary, we may utilize derivative instruments to hedge currency risk.

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

## 2. FEES, CHARGES AND EXPENSES

### 2.1. CHARGES

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

#### 2.1.1. Application Fee

Nil.

#### 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 CIMB-Principal Islamic Fund (or its class). As such, you will be charged a Switching Fee equal to the difference (if any) between the Application Fee of the Class to be switched out and the Application Fee of the other Class or CIMB-Principal Islamic Fund (or its class) to be switched into. Switching Fee will not be charged if the Class or CIMB-Principal Islamic Fund (or its class) to be switched into has a lower Application Fee. In addition, you may be charged administrative fee for each switch. Please refer to the Annexure 1 of the respective Class for further information.

#### 2.1.4. Transfer Fee

You may be charged a Transfer Fee for each transfer. Please refer to the Annexure 1 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 Management Fee and those that are related to the specific Class only, such as, the cost of Unit holders meeting held in relation to the respective Class. If in doubt, you should consult professional advisers for better understanding.

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

#### 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 1 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 0.15% per annum and USD 150 million each for both Class ABC and Class XYZ:-*

|  | Class ABC<br>(Denominated in USD)<br>(USD)      | Class XYZ<br>(Denominated in MYR)<br>(USD)      |
|--|---|---|
| Annual Management Fee  | 0.15% per annum                                 | 0.15% per annum                                 |
| NAV of the class   | USD 150 million                                 | USD 150 million                                 |
| Management Fee for the day<br>= NAV of the class x<br>Management Fee rate for the class (%) / 365 days | = USD 150 million x 0.15% / 365<br>= USD 616.44 | = USD 150 million x 0.15% / 365<br>= USD 616.44 |

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

#### 2.2.2. Trustee Fee

The Trustee is entitled to a fee of up to 0.02% per annum of the Fund's NAV. The Trustee Fee shall be accrued daily based on the NAV of the Fund and be paid monthly.

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

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

*If the NAV of the Fund is USD 150 million, then*

Trustee Fee for the day = USD 150 million x 0.02% / 365 days  
= USD 82.19

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

**All fees and charges payable by the Fund are subject to any applicable taxes and/or duties as may be imposed by the government or other authorities (if any) from time to time. As a result of changes in any rule, regulation, directive, notice and/or law issued by the government or relevant authority, there may be additional cost to the fees, expenses, charges and/or taxes payable to and/or by the Fund or you as disclosed or illustrated above.**

### **2.2.3. Other expenses**

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

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

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. We will ensure that there is no double charging of management fee to be incurred by you when you invest in the Fund. All expenses of the Fund will generally be apportioned to each Class based on the MCR except for those that are related to the specific Class only, such as, the cost of Unit holders meeting held in relation to the respective Class. If in doubt, you should consult professional advisers for better understanding.

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

You should note that we may, for any reason at any time, where applicable, waive or reduce the amount of any fees (except the Trustee Fee) or other charges payable by you in respect of the Fund, either generally (for all Sophisticated Investors) or specifically (for any particular Sophisticated Investor or a group of Sophisticated Investors) and for any period or periods of time at our absolute discretion.

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.

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

We and the Trustee will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investments of the Fund unless the soft commission received is retained in the form of goods and services such as stock quotations system incidental to investment management of the Fund. All dealings with brokers are executed on most favourable terms for the Fund.

**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 or you as disclosed or illustrated in the Information Memorandum.**

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

## 3. TRANSACTION INFORMATION

### 3.1. VALUATION OF INVESTMENTS PERMITTED BY THE FUND

We will ensure that all the assets of the Fund are valued in a fair manner. The assets of the Fund are valued as follows:

- **Shariah-compliant money market instruments**  
Valuation of Shariah-compliant money market instruments shall be determined each day by reference to the principal value of such permitted investments and the accrued income for the relevant period.
- **Islamic Deposits**  
The value of Islamic Deposits shall be determined each day by reference to the principal value of such permitted investment and the accrued income thereon for the relevant period.
- **Unlisted Shariah-compliant derivative instruments**  
The value of unlisted Shariah-compliant derivative instruments will be determined by the financial institution that issued the instrument and that value will be the fair value as determined in good faith by us on methods or basis which have been verified by the auditor of the Fund and approved by the Trustee.

### 3.2. UNIT PRICING

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

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

We will carry out the valuation of 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. Currently, the currency translation is based on the bid exchange rate quoted by Bloomberg or Reuters at UK time 4:00 p.m. on the same day (Malaysia time 11:00 p.m. or 12:00 a.m.), or such other time as we may determine or as stipulated in the Investment Management Standards issued by the FIMM. The NAV per unit for a Business Day is available on our website at <http://www.cimb-principalislamic.com> after 5:30 p.m. on the following Business Day (T+1).

After the initial offer period, the Fund must be valued at least once every Business Day. The method of determining NAV per Unit is calculated as follows:

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

The NAV of the Fund is the sum of the value of all investments and cash held by the Fund (calculated in accordance with the Deeds) including income derived by the Fund which has not been distributed to you, less all amounts owing or payable in respect of the Fund 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. USD. As such, all the assets and liabilities of each Class will be translated into USD for valuation purposes. The foreign exchange rate used for this purpose shall be the bid exchange rate quoted by Bloomberg or Reuters at UK time 4:00 p.m. at the same day (Malaysia time 11:00 p.m. or 12:00 a.m.), or such other time as we may determine or as per the Investment Management Standards issued by the FIMM. 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.

### 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 USD) 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<br>(USD)              | Class ABC<br>(Denominated in USD)<br>(USD) | Class XYZ<br>(Denominated in MYR)<br>(USD) |
|---|----------------------------|--|--|
| NAV of the Fund before income and expenses            | 185,942,897                | 173,342,897                                | 12,600,000                                 |
| % MCR   | 100%                       | <sup>(1)</sup> 93.22%                      | <sup>(1)</sup> 6.78%                       |
| Add: Income   | 30,000                     | <sup>(2)</sup> 27,966                      | <sup>(2)</sup> 2,034                       |
| Less: Expenses  | (10,000)                   | <sup>(2)</sup> (9,322)                     | <sup>(2)</sup> (678)                       |
| Benefits or costs of hedging (if any)                 | -                          | -  | 900  |
| NAV of the Fund before Management Fee and Trustee Fee | 185,963,797                | 173,361,541                                | 12,602,256                                 |
| Less: Management Fee                                  | -<br>(764)                 | <b>0.15% p.a.</b><br>(712)                 | <b>0.15% p.a.</b><br>(52)                  |
| Less: Trustee Fee                                     | <b>0.02% p.a.</b><br>(102) | -<br>(95)                                  | -<br>(7)                                   |
| NAV of the Fund                                       | 185,962,931                | 173,360,734                                | 12,602,197                                 |
| Units in circulation                                  | 205,000,000 units          | 170,000,000 units                          | 35,000,000 units                           |
| <b>NAV per unit</b>                                   |                            | <b>1.0197</b>                              | <b>0.3600</b>                              |
| Currency exchange rate                                |                            | N/A  | (MYR/USD) 4.00                             |
| NAV per unit  |                            | <b>USD 1.0197</b>                          | <b>MYR 1.4400</b>                          |

|  | Fund<br>(USD)        | Class ABC<br>(Denominated in USD)<br>(USD) | Class XYZ<br>(Denominated in MYR)<br>(USD) |
|--|----------------------|--|--|
| NAV of the Fund before creation of units for the day | 185,962,931.00       | 173,360,734.00                             | 12,602,197.00                              |
| <sup>(3)</sup> Creation of units                     | 1,250,000.00         | 1,000,000.00                               | 250,000.00                                 |
| Closing NAV  | 187,212,931.00       | 174,360,734.00                             | 12,852,197.00                              |
| Units in circulation                                 | 206,675,125.04 units | 170,980,680.59 units                       | 35,694,444.44 units                        |
| NAV per unit   |                      | <b>1.0197</b>                              | <b>0.3600</b>                              |
| Currency exchange rate                               |                      | N/A  | (MYR/USD) 4.00                             |
| NAV per unit   |                      | <b>USD 1.0197</b>                          | <b>MYR 1.4400</b>                          |

### Note:

<sup>(1)</sup> MCR computation

|  | Class ABC<br>(Denominated in USD)<br>(USD) | Class XYZ<br>(Denominated in MYR)<br>(USD) |
|--|--|--|
| NAV of the Class x 100                     | 173,342,897 x 100                          | 12,600,000 x 100                           |
| NAV of the Fund before income and expenses | 185,942,897                                | 185,942,897                                |
|  | = 93.22%                                   | = 6.78%                                    |

<sup>(2)</sup> Apportionment based on MCR is as follows:

|                | (USD)    | Class ABC<br>(Denominated in USD)<br>(USD)   | Class XYZ<br>(Denominated in MYR)<br>(USD)                                      |
|----------------|----------|--|---|
| Add: Income    | 30,000   | MCR x Income<br>= Income for Class ABC<br>= 93.22% x USD 30,000<br>= USD 27,966    | MCR x Income<br>= Income for Class XYZ<br>= 6.78% x USD 30,000<br>= USD 2,034   |
| Less: Expenses | (10,000) | MCR x Expenses<br>= Expenses for Class ABC<br>= 93.22% x USD 10,000<br>= USD 9,322 | MCR x Expenses<br>= Expenses for Class XYZ<br>= 6.78% x USD 10,000<br>= USD 678 |

<sup>(3)</sup> Creation of units

|                        | Class ABC<br>(Denominated in USD) | Class XYZ<br>(Denominated in MYR) |
|------------------------|-----------------------------------|-----------------------------------|
| Creation of units      | USD 1,000,000                     | MYR 1,000,000                     |
| NAV per unit           | USD 1.0197                        | MYR 1.4400                        |
| Number of units        | 980,680.59 units                  | 694,444.44 units                  |
| Currency exchange rate | N/A                               | (MYR/USD) 4.00                    |
| Creation of units      | USD 1,000,000                     | USD 250,000                       |

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

### 3.3. INCORRECT PRICING

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

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

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

- a) is equal to or more than 0.50% of the NAV per Unit; and
- b) results in a sum total of USD10.00 (or the same value in the respective Class currency) or more to be reimbursed to a Unit holder for each sale or withdrawal transaction.

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

### 3.4. INVESTING

#### 3.4.1. Who can invest?

The Fund shall only be offered or marketed to Sophisticated Investor.

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

- an individual who is at least eighteen (18) years of age and 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).

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

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

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

#### **3.4.2. How to invest?**

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

You may invest:

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

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

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

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

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

### **3.5. MINIMUM INVESTMENTS**

The minimum initial and additional investment for each Class may differ and may be determined by us from time to time. Please refer to the Annexure 1 of the respective Class for further information.

#### **3.5.1. Processing an application**

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

### **3.6. MINIMUM WITHDRAWALS**

The minimum withdrawal 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 1 of the respective Class for further information. You may withdraw by completing a redemption form and sending it to our head office or the relevant Distributor. There is no restriction on the frequency of withdrawals. We will transfer the withdrawal proceeds to your bank account (or foreign currency bank account, as the case may be) in our records. If we wish to increase the minimum withdrawal amount, we will consult with the Trustee and you will be notified of such changes before implementation.

#### **3.6.1. Processing a withdrawal**

If we receive a complete withdrawal request by 4:00 p.m. on a Business Day, we will process it using the NAV per Unit for that Business Day. If we receive the withdrawal request after 4:00 p.m. on a Business Day, we will process it using the NAV per Unit for the next Business Day. The amount that you will receive is calculated by the withdrawal value less the Withdrawal Fee, if any. You will be paid in the currency of the Class (e.g. Class USD will be paid in USD) within five (5) Business Days of receipt of the complete withdrawal request. You will have to bear the applicable bank fees and charges, if any. For a withdrawal amount greater than USD10 million, you are required to provide us with a written notice (electronically or otherwise) of minimum seven (7) Business Days of such intention to withdraw to enable us to process the withdrawal.

### **3.7. MINIMUM BALANCE**

The minimum balance that must be retained in your account for each Class may differ and may be determined by us from time to time. Please refer to Annexure 1 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 may withdraw your entire investment and forward the proceeds to you. If we wish to increase the minimum balance amount, we will consult with the Trustee and you will be notified of such changes before implementation. However, you should note that we may, for any reason at any time, where applicable, reduce the minimum balance, either generally (for all Sophisticated Investors) or specifically (for any particular Sophisticated Investor or a group of Sophisticated Investors) without prior notice to you.



### 3.8. COOLING-OFF PERIOD

You have six (6) Business Days after your initial investment (i.e. from the date the application form is received and accepted by us or any of our Distributors) to reconsider the appropriateness and suitability for your investment needs. Within this period, you may withdraw your investment at the same NAV per unit when the units were purchased. We will refund the investment amount including Application Fee (if any) to you in the currency of the respective Class within ten (10) days from the date we receive the complete documentations. Please note that the cooling-off right is only given to first time investor investing with us or our Distributors. However, CIMB-Principal Islamic's staff and person(s) registered to deal in unit trust of CIMB-Principal Islamic or any of our Distributors are not entitled to the cooling-off right. Corporate client such as company, corporation, co-operative or institutions investing in the Fund are also not entitled to the cooling-off right.

### 3.9. SWITCHING

Switching is available between the Classes of the Fund or between a Class and other CIMB-Principal Islamic Funds (or its classes), which should be denominated in the same currency. You may contact our **Institutional and International Sales** at **(603) 2084 8888** for more information on the availability of switching. Please also refer to the Annexure 1 of the respective Class for further information.

To switch, simply complete a switch request form and send to our head office (Institutional and International Sales) or the relevant Distributor. 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, either generally (for all Sophisticated Investors) or specifically (for any particular Sophisticated Investor or a group of Sophisticated Investors).

#### 3.9.1. Processing a switch

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

### 3.10. TRANSFER FACILITY

You are allowed to transfer your holdings to an eligible Sophisticated Investor subject to such terms and conditions stipulated in the Deed. However, we may refuse to register any transfer of unit at our absolute discretion. You may be subjected to Transfer Fee for each transfer. Please refer to the Annexure 1 of the respective Class or further information.

### 3.11. 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 Classes 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 in turn calculated by multiplying the total number of units held by you in the Class by the cent per unit distribution amount. On the distribution date, the NAV per unit will adjust accordingly. For more information on the distribution policy of each Class, please see Annexure 1 of the respective Class.

All distributions (if any) will be automatically reinvested into additional units in the Class at the NAV per unit on the distribution date (the number of units will be rounded down to two (2) decimal places), unless written instructions to the contrary are communicated to us, in which you should have first furnished us with details of your bank account in the currency denomination of that Class, that all distribution payment shall be paid into (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.

### 3.12. UNCLAIMED MONEYS

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

However, for income distribution payout to you by cheque, if any, which remains unclaimed for six (6) months will be reinvested into the Fund within thirty (30) Business Days after the expiry of the cheque's validity period based on the prevailing NAV per unit on the day of the reinvestment provided that you still hold units of the Class. As for income distribution payout by bank transfer, if any, shall be transmitted to your valid and active bank account. If the bank transfer remained unsuccessful and unclaimed for six (6) months, it will be reinvested into the 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 holds 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 treatment mentioned in the above paragraph as prescribed by the UMA.

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

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

## 4. ADDITIONAL INFORMATION

### 4.1. FINANCIAL YEAR-END

31 October.

### 4.2. INFORMATION ON YOUR INVESTMENT

We will send you the following:

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

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

Please take note that if your investments are made through the Distributor (i.e. the IUTA via a nominee system of ownership), you would not be deemed to be a Unit holder under the Deed. As such, you may obtain the above information from the respective Distributor.

### 4.3. TERMINATION OF FUND AND/OR ANY OF THE CLASSES

Subject to the provision set out below, the Fund and/or any of the Class may be terminated or wound-up 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 not less than three (3) months' notice in writing to the Unit holders as hereinafter provided (i) if any law shall be passed which renders it illegal or in the opinion of the Manager impracticable or inadvisable to continue the trust or (ii) if in our reasonable opinion it is impracticable or inadvisable to continue the Fund or Class. A Class may be terminated by Unit holders 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.

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

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

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

Please take note that if your investments are made through the Distributor (i.e. the IUTA via a nominee system of ownership), you would not be deemed to be a Unit holder under the Deed and as a result, 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).

#### Rights

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

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

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

#### Liabilities

- (i) Your liability is limited to the purchase price paid or agreed to be paid for a unit. You do not need to indemnify the Trustee or us in the event that the liabilities incurred by us and/or the Trustee in the name of or on behalf of the Fund pursuant to and/or in the performance of the provisions of the Deed exceed the value of the assets of the Fund.
- (ii) Any right of indemnity of us and/or the Trustee shall be limited to recourse to the Fund.

#### Limitations

You cannot:

- (i) interfere with any rights or powers of ours and/or Trustee under the Deed;
- (ii) exercise a right in respect of an asset of the Fund or lodge a caveat or other notice affecting the asset of the Fund or otherwise claim any interest in the asset of the Fund; or
- (iii) require the asset of the Fund to be transferred to you.

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

#### 4.5. DOCUMENTS AVAILABLE FOR INSPECTION

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

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

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

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

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

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

| Director / Shareholder | Position    | Shareholding<br>(Direct / Indirect) | Name of corporation   |
|------------------------|-------------|-------------------------------------|---|
| CIMB Group Sdn Bhd     | Shareholder | √                                   | CIMB-Principal Asset Management Berhad<br>CIMB-Mapletree Management Sdn Bhd |

The Fund may maintain 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 market prices and are conducted at arm's lengths.

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

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

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

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

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

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

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

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

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

# 5. THE MANAGER

## 5.1. ABOUT CIMB-PRINCIPAL ISLAMIC ASSET MANAGEMENT SDN BHD

CIMB-Principal Islamic manages Shariah-compliant institutional assets for corporations and institutions. The firm's objective is to provide a full spectrum of investment solutions, optimally customised to meet local and global investors' needs and objectives.

CIMB-Principal Islamic is a joint-venture between the CIMB Group and PFS, a wholly-owned subsidiary of PFG. CIMB-Principal Islamic obtained its license to operate as an Islamic Fund Management Company on June 27, 2008 from the SC. CIMB-Principal Islamic is one of the first companies in the industry to be awarded an Islamic fund management license by the SC.

CIMB-Principal Islamic is an offshoot of CIMB-Principal, which is based in Kuala Lumpur, Malaysia. CIMB-Principal was founded in 1995 and has a reputable heritage of managing Islamic institutional mandates since 2000. The Islamic business was spun off to internationalise the Islamic initiative and to reach out to global clients and develop cross border distributions.

Headquartered in Kuala Lumpur, CIMB-Principal Islamic is strategically located in the world's first country with a complete Islamic financial system operating in parallel to the conventional banking system. This allows the firm to leverage on Malaysia's comprehensive Islamic financial infrastructure and its adopted global regulatory, legal and Shariah best practices.

The primary roles, duties and responsibilities of CIMB-Principal Islamic as the Manager of the Fund include:

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

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

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

|                        |  |
|------------------------|--|
| <b>Name:</b>           | Mohd Fadzil Mohamed  |
| <b>Designation:</b>    | Chief Investment Officer, CIMB-Principal Islamic   |
| <b>Experience:</b>     | <p>Fadzil is currently the Chief Investment Officer of CIMB-Principal Islamic. He has 20 years of experience in the financial industry in various capacities, with the last 16 years specializing in fixed income fund management, economics and fixed income research.</p> <p>Prior to joining CIMB-Principal Islamic, he was the CEO and Fixed Income Chief Investment Officer of a Malaysian fund management company. He recently won two industry performance awards for his previous company, for Best MYR Bond Fund and Best MYR Islamic Bond Fund categories.</p> |
| <b>Qualifications:</b> | BSc (Economics) Hons degree in Accounting and Finance from the University of Aberystwyth, Wales, UK.   |

**Note:** For more information and/or updated information about CIMB-Principal Islamic, please refer to our website at <http://www.cimb-principalislamic.com>.

## 6. SHARIAH ADVISER OF THE FUND

### 6.1. ABOUT CIMB ISLAMIC BANK BERHAD

CIMB Islamic Bank Berhad, licensed under the Malaysia's Islamic Financial Services Act 2013, is the global Islamic banking and finance services franchise of CIMB Group. It offers innovative and comprehensive Shariah-compliant financial solutions in investment banking, consumer banking, asset management, private banking and wealth management. It's headquartered in Kuala Lumpur, Malaysia and offers consumer banking, wholesale banking, asset management products and services which comply with Shariah principles. It's part of the fifth largest banking group in ASEAN, with over 39,000 staff in 15 countries across ASEAN, Asia and beyond. This enables CIMB Islamic to provide a wide range of products and services to commercial, corporate, and institutional customers across ASEAN, the Middle East, South Asia, North Asia, and major international financial centres. Its products and operations are managed in strict compliance with Shariah principles under the guidance of the CIMB Islamic Shariah Committee, which comprises the world's leading Islamic scholars.

CIMB Islamic has been appointed as the Shariah Adviser for the Fund. In line with the SC Guidelines, the roles of the Shariah Adviser are:

- to advise on all aspects of the Fund in accordance with Shariah principles;
- to provide Shariah expertise and guidance in all matters, particularly on the Fund's deed and prospectus, fund structure, investments and other operational matters;
- To ensure that the fund is managed and operated in accordance with Shariah principles, relevant SC regulations and standards, including resolutions issued by the SC's Shariah Advisory Council;
- to review the Fund's compliance report and investment transaction report to ensure that the Fund's investments are in line with Shariah principles; and
- to prepare a report to be included in the Fund's annual and interim reports stating its opinion whether the Fund has been operated and managed in accordance with the Shariah principles for the financial period concerned.

As at LPD, CIMB Islamic acts as Shariah adviser for a total of 38 funds. The Shariah committee meets at least six times a year to address Shariah advisory matters pertaining to the Fund, if any and review the Fund's investment to ensure compliance with Shariah principles.

In relation to Shariah matters, the designated person responsible for the Fund is Ashraf Gomma Ali. In addition, CIMB Islamic is backed by its own respective Shariah committee comprising of the following members:

- Sheikh Professor Dr. Mohammad Hashim Kamali
- Sheikh Dr. Nedham Yaqoobi
- Sheikh Associate Professor Dr. Shafaai bin Musa
- Sheikh Associate Professor Dr. Yousef Abdullah Al Shubaily
- Associate Professor Dr. Aishath Muneeza

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

|                        |  |
|------------------------|--|
| <b>Name:</b>           | Ashraf Gomma Ali   |
| <b>Designation:</b>    | Regional Head, Shariah & Governance, Group Islamic Banking, CIMB Group   |
| <b>Experience:</b>     | <p>Ashraf Gomma Ali joined CIMB in April 2017 as Director and Regional Head of Shariah &amp; Governance Department. As Head, he is responsible to oversee and supervise the Shariah Advisory, Research Management, Governance and Shariah Business Partnership functions for all types of Islamic products, deals and services applicable for both CIMB Group and external parties.</p> <p>Prior to his joining with CIMB, he was attached as Shariah Assurance Manager of Shariah Advisory and Governance Department of National Commercial Bank (NCB) situated in Jeddah, Saudi Arabia for more than six years. In NCB, he was actively involved in Shariah advisory activities of the Bank with specialty in treasury, corporate, retail and capital markets as Shariah subject matter expert. He was also involved in transaction structuring and documentation of SAR 20 billion of corporate deals as well as becoming Shariah lead on the development of a full suite of Islamic alternative treasury products for hedging and structures investments covering alternatives to all conventional products. Apart from that, he was also contributed in developing Islamic finance industry in the United States where he served as a member of Shariah Supervisory Board in one of the Islamic bank as well as becoming Islamic finance expert for a well known body of scholars serving the North American community.</p> |
| <b>Qualifications:</b> | He holds a Bachelor of Finance from the University of Maryland, College Park, MD, USA and a Bachelor of Shariah (Hons) from the University of Umm Al Qura, Mecca, Saudi Arabia as well as Master in Islamic Finance Practice from International Centre for Education in Islamic Finance (INCEIF), Kuala Lumpur, Malaysia. He is also a Certified Shariah Auditor and Advisor from AAOIFI and a certified ACI Treasury Dealer.  |

**Note:** We have obtained the necessary consent and confirmation from each of the relevant parties with regards to the information disclosed in this section. For more and/or updated information about Shariah Adviser, please refer to our website at <http://www.cimb-principalislamic.com>.



# 7. THE TRUSTEE

## 7.1. ABOUT PB TRUSTEE SERVICES BERHAD

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

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

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

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

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

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

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

# **ANNEXURE 1 – CLASS USD**

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

## CLASS INFORMATION

| Class USD             |   | Page |
|-----------------------|---|------|
| Currency denomination | USD   |      |
| Distribution policy   | Quarterly, depending on the availability of realised income and/or realised gains and at our discretion. 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. | 11   |

## FEES & CHARGES

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

| Charges  | Class USD  | Page |
|--|--|------|
| Application Fee  | Nil.   | 5    |
| Withdrawal Fee   | Nil.   | 5    |
| Switching Fee  | Switching is treated as a withdrawal from Class USD and an investment into another Class or CIMB-Principal Islamic Fund (or its class). As such, you will be charged a Switching Fee equal to the difference (if any) between the Application Fee of Class USD and the Application Fee of the other Class or CIMB-Principal Islamic Fund (or its class). Switching Fee will not be charged if the Class or CIMB-Principal Islamic Fund (or its class) to be switched into has a lower Application Fee. In addition, we may impose USD35 administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fees with us or our Distributors. We also have the discretion to waive the Switching Fee and/or administrative fees. | 5    |
| Transfer Fee   | A maximum of USD15 may be charged for each transfer.   | 5    |
| Other charges payable directly by you when purchasing or withdrawing units | Any applicable bank charges and other bank fees incurred as a result of an investment or redemption will be borne by you.  |      |

All fees and charges payable by you are subject to any applicable taxes and/or duties as may be imposed by the government or other authorities (if any) from time to time. As a result of changes in any rule, regulation, directive, notice and/or law issued by the government or relevant authority, there may be additional cost to the fees, expenses, charges and/or taxes payable to and/or by the Fund or you as disclosed or illustrated in the Information Memorandum.

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

| Charges   | Class USD  | Page |
|---|--|------|
| Management Fee  | Up to 0.15% per annum of the NAV of the Class.   | 5    |
| Trustee Fee   | Up to 0.02% per annum of the NAV of the Fund (including local custodian fees and charges but excluding foreign sub-custodian fees and charges).  | 5    |
| Fund expenses   | Only expenses that are directly related to the Fund can be charged to the Fund. Examples of relevant expenses are audit fee and tax agent's fee. | 6    |
| Other fees payable indirectly by you when investing in the Fund | Nil.   |      |

**Note:** We may, for any reason at any time, where applicable, waive or reduce the amount of any fees (except the Trustee Fee) or other charges payable by you in respect of the Fund, either generally (for all Sophisticated Investors) or specifically (for any particular Sophisticated Investor or a group of Sophisticated Investors) and for any period or periods of time at our absolute discretion.

All fees and charges payable by the Fund are subject to any applicable taxes and/or duties as may be imposed by the government or other authorities (if any) from time to time. As a result of changes in any rule, regulation, directive, notice and/or law issued by the government or relevant authority, there may be additional cost to the fees, expenses, charges and/or taxes payable to and/or by the Fund or you as disclosed or illustrated in the Information Memorandum.

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

## TRANSACTION INFORMATION

|                                      | Class USD  | Page |
|--------------------------------------|--|------|
| <b>Minimum initial investment</b>    | USD 250,000 or such other amount as we may decide from time to time.   | 10   |
| <b>Minimum additional investment</b> | USD 50,000 or such other amount as we may decide from time to time.  | 10   |
| <b>Minimum withdrawal</b>            | 50,000 units or such other amount of units as we may decide from time to time.   | 10   |
| <b>Minimum balance</b>               | 250,000 units or such other amount of units as we may decide from time to time.  | 10   |
| <b>Cooling-off period</b>            | You have six (6) Business Days after your initial investment (i.e. from the date the application form is received and accepted by us or any of our Distributors) to reconsider the appropriateness and suitability for your investment needs. Within this period, you may withdraw your investment at the same NAV per unit when the units were purchased. We will refund the investment amount including Application Fee (if any) to you in the currency of the respective Class within ten (10) days from the date we receive the complete documentations. Please note that the cooling-off right is only given to first time investor investing with us or our Distributors. However, CIMB-Principal Islamic's staff and person(s) registered to deal in unit trust of CIMB-Principal Islamic or any of our Distributors are not entitled to the cooling-off right. Corporate client such as company, corporation, co-operative or institutions investing in the Fund are also not entitled to the cooling-off right. | 11   |
| <b>Switching</b>                     | 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"> <li>▪ for switching out of the Class: <ul style="list-style-type: none"> <li>○ the minimum withdrawal amount applicable to the Class;</li> <li>○ the minimum balance required (after the switch) for the Class, unless you are withdrawing from the Class in entirety; and</li> <li>○ the Withdrawal Fee of the Class (if any);</li> </ul> </li> <li>▪ for switching into the Class: <ul style="list-style-type: none"> <li>○ the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Class; and</li> <li>○ the Switching Fee applicable for the proposed switch (if any).</li> </ul> </li> </ul> You may negotiate to lower the amount for your switch with us or our Distributors.  | 11   |
| <b>Transfer facility</b>             | We may, at our absolute discretion, allow/refuse Unit holders to transfer their units to another eligible Sophisticated Investors subject to such terms and conditions as may be stipulated by us from time to time.   | 11   |

**Note:** You may request for a lower amount or number of units when purchasing units (or additional units) or withdrawing units, which will be at our sole and absolute discretion. However, you should note that we may, for any reason at any time, where applicable, accept or reject your request to lower the amount or number of units and without having to assign any reason, either generally (for all Sophisticated Investors) or specifically (for any particular Sophisticated Investor or a group of Sophisticated Investors) without prior notice to you. We may also, for any reason at any time, where applicable, reduce the minimum balance, either generally (for all Sophisticated Investors) or specifically (for any particular Sophisticated Investor or a group of Sophisticated Investors) without prior notice to you. For increase in the amount or units for minimum withdrawal and minimum balance, we will require concurrence from the Trustee and you will be notified of such changes before implementation.

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

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.

# **ANNEXURE 2 – EXCERPTS OF PART 1, SCHEDULES 6 AND 7 OF THE CMSA**

## SCHEDULE 6

[Section 229]

*Excluded offers or excluded invitations*

### Part I

#### A. Excluded offers or excluded invitations made to accredited investors

1. An offer or invitation made to a unit trust scheme, prescribed investment scheme or private retirement scheme.
- 1A. An offer or invitation made to Bank Negara.
2. An offer or invitation made to—
  - a) a holder of a capital markets services license; or
  - b) an executive director or a chief executive officer of a holder of a capital markets services license.
3. An offer or invitation made to a closed end fund approved by the SC.
4. An offer or invitation made to a bank licensee or insurance licensee as defined under the Labuan Financial Services and Securities Act 2010.
5. An offer or invitation made to an Islamic bank licensee or takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010.
6. An offer or invitation made to a licensed institution as defined in the Financial Services Act 2013 or an Islamic bank as defined in the Islamic Financial Services Act 2013.
7. An offer or invitation made to an insurance company registered under the Financial Services Act 2013 or a takaful operator registered under the Islamic Financial Services Act 2013.

#### B. Excluded offers or excluded invitations made to high net worth entity

8. An offer or invitation made to—
  - a) a company that is registered as a trust company under the Trust Companies Act 1949 which has assets under management exceeding ten million ringgit or its equivalent in foreign currencies; or
  - b) a corporation that is a public company under the Companies Act 2016 which is approved by the SC to be a trustee under the CMSA and has assets under management exceeding ten million ringgit or its equivalent in foreign currencies.
9. An offer or invitation made to—
  - a) a corporation with total net assets exceeding ten million ringgit or its equivalent in foreign currencies based on the last audited accounts; or
  - b) a partnership with total net assets exceeding ten million ringgit or its equivalent in foreign currencies.
10. An offer or invitation made to a statutory body established by an Act of Parliament or an enactment of any State.
11. An offer or invitation made to a pension fund approved by the Director General of Inland Revenue under section 150 of the Income Tax Act 1967.

#### C. Excluded offers or excluded invitations made to high net worth individual

12. An offer or invitation made to an individual—
  - a) whose total net personal assets, or total net joint assets with his or her spouse, exceed three million ringgit or its equivalent in foreign currencies, excluding the value of the individual's primary residence;
  - b) who has a gross annual income exceeding three hundred thousand ringgit or its equivalent in foreign currencies per annum in the preceding twelve months; or
  - c) who, jointly with his or her spouse, has a gross annual income exceeding four hundred thousand ringgit or its equivalent in foreign currencies per annum in the preceding twelve months.

## SCHEDULE 7

[Section 230]

*Excluded issues*

### Part I

#### A. Excluded issues made to accredited investors

1. An issue made to a unit trust scheme, prescribed investment scheme or private retirement scheme.
2. An issue made to a holder of a capital markets services license.
3. An issue made to an executive director or a chief executive officer of a holder of a capital markets services license.
4. An issue made to a closed end fund approved by the SC.
5. An issue made to a bank licensee or insurance licensee as defined under the Labuan Financial Services and Securities Act 2010.
6. An issue made to an Islamic bank licensee or takaful licensee as defined under the Labuan Islamic Financial Services and Securities Act 2010.
7. An issue made to a licensed institution as defined in the Financial Services Act 2013 or an Islamic bank as defined in the Islamic Financial Services Act 2013.
8. An issue made to an insurance company registered under the Financial Services Act 2013 or a takaful operator registered under the Islamic Financial Services Act 2013.
- 8A. An issue made to Bank Negara.

#### B. Excluded Issues made to High-Net Worth Entities

9. An issue made to—
  - a) a company that is registered as a trust company under the Trust Companies Act 1949 which has assets under management exceeding ten million ringgit or its equivalent in foreign currencies; or
  - b) a corporation that is a public company under the Companies Act 2016 which is approved by the SC to be a trustee under the CMSA and has assets under management exceeding ten million ringgit or its equivalent in foreign currencies.

10. An issue made to—
  - a) a corporation with total net assets exceeding ten million ringgit or its equivalent in foreign currencies based on the last audited accounts; or
  - b) a partnership with total net assets exceeding ten million ringgit or its equivalent in foreign currencies.
11. An issue made to a statutory body established by an Act of Parliament or an enactment of any State.
12. An issue made to a pension fund approved by the Director General of Inland Revenue under section 150 of the Income Tax Act 1967.

**C. Excluded Issues made to High-Net Worth Individuals**

13. An offer or invitation made to an individual—
  - a) whose total net personal assets, or total net joint assets with his or her spouse, exceed three million ringgit or its equivalent in foreign currencies, excluding the value of the individual's primary residence;
  - b) who has a gross annual income exceeding three hundred thousand ringgit or its equivalent in foreign currencies per annum in the preceding twelve months; or
  - c) who, jointly with his or her spouse, has a gross annual income exceeding four hundred thousand ringgit or its equivalent in foreign currencies per annum in the preceding twelve months.



**CIMB-Principal Islamic Asset Management Sdn Bhd (217841-M)**

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