

Information Memorandum

13 August 2020

Principal Islamic Wholesale Sukuk Fund

Manager : Principal Islamic Asset Management Sdn Bhd (199101007531 (217841-M))

Trustee : PB Trustee Services Berhad (196801000374 (7968-T))

This Information Memorandum Issue No.1 of the Principal Islamic Wholesale Sukuk Fund is dated 13 August 2020.

The Fund was constituted on 22 June 2020.

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

THE 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 Principal Islamic Malaysia and the Principal Islamic Wholesale Sukuk 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 Investors (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 call our **Institutional and International Sales** at **(603) 2084 8888** on any Business Day between 8:45 am and 5:45 pm (Malaysian time) on Mondays to Thursdays and between 8:45 am and 4:45 pm (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, legislations or statutes shall be reference to those rules, regulations, guidelines, standards, directives, notices, legislations or statutes for the time being in force, as may be amended, varied, modified, updated, superseded and/or re-enacted from time to time.

Any reference to a time, day or date in this 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 NAV per unit in the Information Memorandum are in MYR unless otherwise indicated.

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

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

DEFINITIONS

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

Application Fee	- Preliminary charge on each investment.
BNM	- Bank Negara Malaysia.
Business Day	- Mondays to Fridays when Bursa Malaysia Securities Berhad is open for trading, and/or banks in Kuala Lumpur and/or Selangor are open for business. Note: We may declare certain Business Days a non-Business Day when deemed necessary, such as in the event of market disruption. This information will be communicated to you via our website at http://www.principalislamic.com .
CIMB Group	- CIMB Group Sdn. Bhd.
Class	- Any Class of units representing similar interests in the assets of the Fund and differentiated by features such as transaction amount, fees and charges and/or distribution policy.
CMSA	- Capital Markets and Services Act 2007.
Distributor	- Any relevant persons and bodies appointed by Principal Islamic Malaysia from time to time, who are responsible for selling units of the Fund including Principal Distributors.
Deed	- The principal and all supplemental deed in respect of the Fund made between us and the Trustee, in which the Unit holders agree to be bound by the provisions of the deeds.
Eligible Market	- A market which is regulated by a regulatory, operates regularly, is open to the public and has adequate liquidity for the purposes of the Fund.
Fund or IWSF	- Principal Islamic Wholesale Sukuk Fund.
GLOLA	- SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.
GII	- Refers to Government Investment Issue, which is an Islamic debt instrument issued by BNM on behalf of the Government of Malaysia that complies with Shariah requirements.
GG	- Refers to Government Guaranteed Issuances, an issue of, offer for subscription or purchase of, or invitation to subscribe for or purchase, debentures guaranteed by the Government of Malaysia.
Information Memorandum	- Refers to the Information Memorandum in respect of the Fund and includes any supplemental information memorandum or replacement information memorandum, as the case may be.
Islamic Deposit	- As per the definition of Islamic Financial Services Act 2013.
LPD	- Latest Practicable Date i.e. 30 June 2020, 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.
MARC	- Malaysian Rating Corporation Berhad.
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 (in MYR) of the respective Class by the NAV of the Fund before income and expenses for the day, save and except for Management Fee and those that are related to the specific Class shall be allocated to that Class only. 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 (including Management Fee and Trustee Fee), at the point of valuation.
NAV of the Class	- 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.
PIA	- Principal International (Asia) Ltd.
Principal Distributors	- Refers to the unit trust scheme consultants of Principal Malaysia (authorised Principal Malaysia distributors).
Principal Islamic Malaysia or the Manager	- Principal Islamic Asset Management Sdn Bhd
Principal Malaysia	- Principal Asset Management Berhad
RAM	- RAM Rating Services Berhad.
MYR	- Malaysian Ringgit.
SAC	- Shariah Advisory Council.
SC	- Securities Commission Malaysia.
Shariah	- Islamic law, originating from the Qur'an (the holy book of Islam), and its practices and explanations rendered by the Prophet Muhammad (pbuh) and ijthad of ulamak (personal effort by qualified Shariah scholars to determine the true ruling of the divine law on matters whose revelations are not explicit).

Shariah Adviser or Amanie	- Amanie Advisors Sdn Bhd.
Sophisticated Investor(s)	<ul style="list-style-type: none"> - 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, Schedules 6 and 7 of the CMSA. <p>Note: For more information, please refer to our website at http://www.principalislamic.com for the current excerpts of Part 1, Schedules 6 and 7 of the CMSA.</p>
Special Resolution	- A resolution passed by a majority of not less than $\frac{3}{4}$ of Unit holders voting at a meeting of Unit holders.
Sukuk	<ul style="list-style-type: none"> - Refers to certificates of equal value which evidence undivided ownership or investment in the assets using Shariah principles and concepts. <p>Note: For local Sukuk, it must also comply with Shariah principles and concepts endorsed by the SAC of SC.</p>
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 of the Fund.
Unit holder	- The registered holder for the time being of a unit of the Fund including persons jointly so registered.
USA	- United States of America.
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.

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

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1. FUND INFORMATION

1.1. PRINCIPAL ISLAMIC WHOLESALE SUKUK FUND

Fund Category/Type	: Wholesale Fund (Sukuk) / Income
Fund Objective	: The Fund aims to provide total return of investments through potential income and capital appreciation over medium to long-term by investing primarily in MYR denominated Islamic fixed income securities that comply with the Shariah principles. <i>We will require your approval if there is any material change to the Fund's objective.</i>
Benchmark	: Maybank 12-month General Investment Account-i for performance comparison purpose only. Note: The information of the benchmark can be obtained from https://www.maybank2u.com.my .
Distribution Policy	: The distribution policy of each of the Class may differ, please refer to the Annexure of the respective Class for more information. You may refer to page 12 for more information on the distribution payment.

Base Currency and Classes

The base currency of the Fund is MYR.

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 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, taking into account the aforementioned features. Although the Fund has multiple Classes, you should note that the assets of the Fund are pooled for investment purpose.

Currently, the Classes 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.principalislamic.com>. You should consult your 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 A	13 August 2020	1 day from launch date	MYR 1.0000
Class B	13 August 2020	1 day from launch date	MYR 1.0000
Class C	13 August 2020	1 day from launch date	MYR 1.0000

Note: We have the discretion to determine the launch date, which shall be 13 August 2020, or such other date as maybe determined by us.

Investment policy and strategy

The Fund seeks to achieve its objective by investing in a diversified portfolio of MYR denominated Islamic fixed income securities which consists primarily of Sukuk, GII and/ or GG. The Fund will invest between 70% and 98% (both inclusive) of its NAV in Sukuk with a minimum credit rating of AA3 by RAM or AA- by MARC, in unrated GII and/ or unrated GG. At least 2% of the Fund's NAV will be maintained in Islamic liquid assets such as Islamic money market instruments and/or Islamic Deposits.

We will adopt an active investment management strategy and will be selective in the buying and selling of Sukuk, GII and/ or GG for the Fund. We formulate an interest rate* outlook through examining factors such as the Malaysian inflation rate, monetary policy and economic growth. With an interest rate* outlook and yield curve analysis, we identify the weighting of the investment tenor and credit for the Fund.

In the unlikely event of a credit rating downgrade, we reserve the right to deal with the security in the best interest of the Unit holders. As an active fund manager, we have in place flexible tolerance limits to cater to such situations. We can for example, continue to hold the downgraded security if the immediate disposal of the security would not be in the best interest of the Unit holders.

Asset Allocation

- between 70% and 98% (both inclusive) of the Fund's NAV will be invested in Sukuk, GII and/ or GG; and
- at least 2% of the Fund's NAV will be invested in Islamic liquid assets such as Islamic money market instruments and/or Islamic Deposits.

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. As part of its risk management strategy, the Fund is constructed and managed within the pre-determined guidelines. Essentially, we monitor the Sukuk, GII and/ or GG portfolio according to three (3)

parameters: tenor, credit ratings and sector. The duration of the Sukuk, GII and/ or GG portfolio are also monitored and modified according to our interest rate* outlook (i.e. the sensitivity of the portfolio to interest rate changes).

In response to adverse conditions and as part of its risk management strategy, we may reduce holdings in longer tenured assets and channel these monies into shorter-term Islamic Deposits. We may also from time to time invest in Islamic liquid assets to safeguard the investment portfolio of the Fund provided that such investments are within the objective of the Fund.

** The Fund does not invest in interest bearing instruments; the interest rate referred herein is to the general interest rate of the country which may affect the value of the investments of the Fund.*

1.2. PERMITTED INVESTMENTS

Subject to the Deed, the investment policy for the Fund and the requirements of the SC and any other regulatory body, we have the absolute discretion, as to how the assets of the Fund are invested. Under the Deed and provided always that there are no inconsistencies with the objective of the Fund, the Fund can invest in the following instruments:

- Islamic fixed income securities such as Sukuk, GII and/ or GG traded in or under the rules of an Eligible Market;
- Islamic liquid assets such as Islamic Deposits and Islamic money market instruments; and
- Any other form of investments as may be agreed by Principal Islamic Malaysia from time to time that is in line with the Fund's objective.

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

1.3. INVESTMENT RESTRICTIONS AND LIMITS

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

Islamic liquid assets:

- at least 2% of its NAV will be invested in Islamic liquid assets.

Islamic fixed income securities:

- at least 70% of its NAV will be invested in Sukuk, GII and/ or GG; and
- the Fund's investment in Sukuk must not exceed 20% of the Sukuk issued by any single issuer*.

** Restrictions and limits do not apply to GII and/ or GG.*

1.4. APPROVALS AND CONDITIONS

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

1.5. FINANCING

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

1.6. SECURITIES LENDING

Not applicable for the Fund.

1.7. SHARIAH INVESTMENT GUIDELINES

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

Screening process

1. Sukuk, GII and/ or GG are certificates that provide evidence of an investment into an underlying asset or a project which is typically an income generating asset or project. The Fund will only invest in Sukuk, GII and/ or GG which is approved by the SAC of the SC, SAC of BNM or the Shariah Adviser. The Shariah Adviser will review any Sukuk, GII and/ or GG are instruments to be invested by the Fund based on the data available at:
 - Bond info hub (www.bondinfo.bnm.gov.my)
 - Fully automated system for issuing/tendering (<http://fast.bnm.gov.my>)

2. Islamic Deposits shall be placed with financial institutions licensed under the Islamic Financial Services Act 2013 and/or Financial Services Act 2013, whichever is appropriate. For the avoidance of doubt, only Shariah-compliant account is permitted for placement of Islamic Deposit with institutions licensed under the Financial Services Act 2013. The Fund is also prohibited from investing in interest-bearing deposits and recognizing any interest income.
3. Islamic money market instruments issued in Malaysia must be approved by SAC of BNM. Islamic money market instruments that are endorsed by other Shariah adviser or committee must be approved by the Shariah Adviser upon review of the relevant documents e.g. principal terms and conditions and Shariah pronouncements or approvals.
4. Any other Shariah-compliant securities or Shariah-compliant instruments that are not being mentioned in items 1 to 3 above, the Fund should seek approval from Shariah Adviser pre-investment being made.

Rules on divestment of Shariah non-compliant securities

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

a. Shariah non-compliant investments

This refers to Shariah non-compliant investment made by the Manager. The said investment will be disposed of or withdrawn within a month of knowing the status of the investment. Any gain made in the form of capital gain or dividend received before or after the disposal of the investment to be channelled to baitulmal or any other charitable bodies as advised by the Shariah Adviser. If the disposal of the investment resulted in losses to the Fund, the losses are to be borne by the Manager.

Payment of Zakat

This refers to the purification by way of payment of zakat by Muslims. The Fund do not pay zakat on behalf of Muslim Unit Holders. Thus, Muslim Unit Holders are advised to pay zakat on their own.

The Fund's Compliance to the Shariah principles

The Shariah Adviser is of the view that, given the prevailing circumstances, the Fund and its respective investments as disclosed and presented is 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 securities which have been classified as Shariah-compliant by the SAC of the SC and, where applicable the SAC of BNM. For securities not classified as Shariah-compliant by the SAC of the SC and, where applicable the SAC of BNM, the status of the securities has been determined in accordance with the rulings of the Shariah Adviser and Shariah Investment Guidelines.

1.8. RISK FACTORS

1.8.1. GENERAL RISKS OF INVESTING IN A FUND

Any investment carries with it an element of risk. Therefore, prior to making an investment, you should consider the following risk factors in addition to the other information set out in this 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 which includes your investment capital and returns, nor any assurance that the fund's objective will be achieved.

Market risk

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

Inflation risk

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

Manager risk

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

Financing risk

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

the units may be sold at a lower NAV per unit as compared to the NAV per unit at the point of purchase towards settling the financing.

Reclassification of Shariah status risk

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

1.8.2. SPECIFIC RISK 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

The Fund will be exposed to a certain degree of credit and default risk of issuers or counterparties when the Fund invests in Sukuk, Islamic money market instruments and/or place Islamic Deposits. Credit risk relates to the creditworthiness of the securities issuers or counterparties and their expected ability to make timely payment of profit and/or principal. Any adverse situations faced by the issuer or counterparties may impact the value as well as liquidity of the investments. In the case of rated Sukuk, this may lead to a credit downgrade. Default risk relates to the risk that a securities issuer or counterparties either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the investments. This could adversely affect the value of the Fund. We aim to mitigate this risk by performing bottom-up and top-down credit research and analysis to determine the creditworthiness of its issuers or counterparties, and impose investment limits on exposures for issuers or counterparties with different credit profiles as a precautionary step to limit any loss that may arise directly or indirectly as a result of a defaulted transaction.

Interest rate risk

Interest rate risk refers to the impact of interest rate changes on the valuation of Sukuk, GII and/ or GG and Islamic money market instruments. When interest rates rise, Sukuk, GII and/ or GG and Islamic money market instruments prices generally decline and this may lower the market value of the Fund's investment in Sukuk, GII and/ or GG and Islamic money market instruments. In managing the Sukuk, GII and/ or GG, we take into account the coupon rate and time to maturity of the Sukuk with an aim to mitigate the interest rate risk. As for Islamic money market instruments, the typical tenor of this instrument is less than 12-month maturity and unlike Sukuk, GII and/ or GG, any change to interest rate will only have a minor impact to the prices of these instruments.

Please note that although Sukuk, GII and/ or GG is a non-interest bearing instrument, its price movement is correlated to the movement in the interest rates. As such, investment in Sukuk, GII and/ or GG will have an exposure to the movement of the interest rates. Even though the Fund does not invest in interest bearing instruments, the interest rate referred herein is to the general interest rate of the country which may affect the value of the investment of the Fund.

The above summary of risks does not purport to be an exhaustive list of all the risk factors relating to investments in the Fund and are not set out in any particular order of priority. You should be aware that investments in the 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 purchase or withdraw units of the Classes.

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 Principal Islamic Malaysia's fund (or its classes). As such, you may be charged a Switching Fee equal to the difference (if any) between the Application Fee of the Class and the Application Fee of the other Class or Principal Islamic Malaysia's fund (or its classes). Switching Fee will not be charged if the Class or Principal Islamic Malaysia's fund (or its classes) to be switched into has a lower Application Fee. In addition, you may be charged an administration fee for each switch. Please refer to the Annexure of the respective Class for further information. For example, you have invested in a fund with an Application Fee of 2.00% on the NAV per unit and now wish to switch to another fund which has an Application Fee of 5.50% on the NAV per unit. Hence, you will be charged a Switching Fee of 3.50% on the NAV per unit on the amount switched. In addition, we may impose a MYR100 administrative fee for every switch. However, we have the discretion to waive the Switching Fee and/or administrative fees.

2.1.4. Transfer Fee

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

2.2. FEES AND EXPENSES

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

2.2.1. Management Fee

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

Below is an illustration on how the Management Fee is calculated assuming Management Fee is 0.15% and 0.20% per annum for Class ABC and Class XYZ respectively:-

	Class ABC (Denominated in MYR) (MYR)	Class XYZ (Denominated in MYR) (MYR)
Management Fee	0.15% per annum	0.20% per annum
NAV of the Class	MYR 150 million	MYR 150 million
Management Fee for the day = NAV of the Class x Management Fee rate for the Class (%) / 365 days	= MYR 150 million x 0.15%/365 = MYR 616.44	= MYR 150 million x 0.20%/365 = MYR 821.92

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 0.025% per annum of the Fund's NAV, subject to a minimum fee of Ringgit Malaysia Twelve Thousand (RM12,000.00) per annum. The Trustee Fee shall be accrued daily and paid monthly.

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

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

If the NAV of the Fund is MYR 200 million, then

Trustee Fee for the day = MYR200 million x 0.025% / 365 days
= MYR 136.98

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

2.2.3. Other expenses

The Deed also provides for payment of other expenses. Other expenses which are directly related and necessary to the operation and administration of the Fund may be charged to the Fund. These would include (but are not limited to) the following:

- commissions or fees paid to brokers or dealers (if any) in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes or difference account;
- taxes and other duties charged on the Fund by the government and other authorities if any and bank fees;
- fees and other expenses properly incurred by the auditor and tax agent;
- fees for valuation of any investment of the Fund by independent valuers for the benefit of the Fund;
- costs incurred for the modification of the Deed for your benefit;
- costs incurred for any meeting of the Unit holders other than those convened for our benefit or the Trustee;
- the sale, purchase, insurance/takaful and any other dealing of investment including commissions or fees paid to brokers;
- costs involved with external specialist approved by the Trustee in investigating or evaluating any proposed investment;
- the engagement of valuer, adviser or contractor of all kinds;
- preparation and audit of the taxation returns and accounts of the Fund;
- termination of the Fund or that Class and the retirement or removal of the Trustee or the Manager and the appointment of a new trustee or manager;
- Shariah Adviser's fee and expenses;
- any proceedings, arbitration or other dispute concerning the Fund, that Class or any asset, including proceedings against the Trustee or the Manager, or commenced by either of them for the benefit of the Fund or that Class (except to the extent that legal costs incurred for the defence of either of them are ordered by the court not to be reimbursed out of the Fund);
- remuneration and out of pocket expenses of the independent members of the investment committee and/or advisers (if any) of the Fund, unless we decide otherwise to bear the same;
- expenses incurred in the printing of, purchasing of stationery and postage of the annual and interim (if any) reports;
- (where the custodial function is delegated by the Trustee to a foreign sub-custodian), charges or fees paid to the foreign sub-custodian;
- all costs and/or expenses associated with the distributions and the payment of such distribution including without limitation fees, costs and/or expenses for the revalidation or reissuance of any distribution cheque or warrant or telegraphic transfer; and
- cost of obtaining experts opinion by us or the Trustee for the benefit of the Fund or Class.

Expenses not authorised by the Deed must be borne by us or the Trustee if incurred for our own benefit.

- 2.2.4. We and the Trustee are required to ensure that any fees or charges payable are reasonable and in accordance with the Deed which stipulate the maximum rate in percentage terms that can be charged. All expenses of the Fund will generally be apportioned to each Class 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. You should consult your 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 and the GLOLA.

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

2.3. REBATES AND SOFT COMMISSIONS

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 research and advisory services that assist in the decision making process relating to the Fund's investments. All dealings with brokers are executed on most favourable terms available for the Fund. Any rebates will be directed to the account of the Fund.

There are fees and charges involved and 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 Deeds. 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 carry out the valuation of the Fund in a fair manner in accordance with applicable law and guidelines. The valuation bases for the investments permitted by the Fund are as below:

- **Listed Shariah-compliant instruments**
The value of any Shariah-compliant permitted investments, which are quoted on an approved exchange, shall be calculated daily by reference to the last transacted price on that approved exchange. If the last transacted price does not represent the fair value of the securities, then the securities should be valued at fair price as determined in good faith by us, based on the methods or bases approved by the Trustee after appropriate technical consultation, such as the mean of bid and offer prices at the close of trading. Suspended Shariah-compliant instruments will be valued at their last done price unless there is conclusive evidence to show that the value has gone below the suspended price or where the quotation of the securities has been suspended for a period exceeding fourteen (14) days or such shorter period as agreed by the trustee, whereupon their fair value will be determined in good faith by us based on the methods or bases approved by the Trustee after appropriate technical consultation.
- **Unlisted Sukuk, GII and/ or GG**
The value of any unlisted MYR-denominated Sukuk, GII and/ or GG shall be calculated on a daily basis using prices quoted by a bond pricing agency ("BPA") registered with the SC. Where such prices are not available or where we are of the view that the price quoted by the BPA for a specific Sukuk, GII and/ or GG differs from the market price by more than twenty (20) basis points, we may use the market price by reference to the last available quote provided such quote was obtained within the previous thirty (30) days and we record the basis for using a non-BPA price, obtained necessary internal approvals to use the non-BPA price and keeps an audit trail of all decisions and basis for adopting the market yield.
- **Islamic money market instruments**
Valuation of Islamic money market instruments such as negotiable instrument of deposits and commercial papers shall be valued by reference to the quotes provided by independent and reputable pricing source(s), which is deemed fair value, includes but not limited to BPA registered with the SC. Where the quotes are provided by financial institutions, the valuation of the Islamic money market instruments will be based on the average of bid and offer prices quoted by three (3) independent and reputable financial institutions of similar standing at the close of trading. The valuation method is verified by the auditor and approved by the Trustee.
- **Islamic Deposits**
The value of Islamic Deposits shall be determined each day by reference to the principal value of such permitted investments and the accrued income thereon for the relevant period.

3.2. UNIT PRICING

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

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

We will carry out the valuation point for the Classes for a Business Day at the end of that Business Day (T). The NAV per unit for a Business Day is available on our website at <http://www.principalislamic.com> after 10:00 a.m. on the following Business Day (T+1).

Illustration:

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

At the end of Business Day on 15 January 2020, your units will be calculated based on the NAV per unit on 15 January 2020, which will be calculated on 15 January 2020. The NAV per unit will be available on our website after 10:00 a.m. on 16 January 2020.

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

At the end of Business Day on 15 January 2020, your units will be calculated based on the NAV per unit on 16 January 2020, which will be calculated on 16 January 2020. The NAV per unit will be available on our website after 10:00 a.m. on 17 January 2020.

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

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

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

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

Note: We will ensure the accuracy of the prices submitted to the Federation of Investment Managers Malaysia - Funds Malaysia System.

3.2.1. Multi-class Ratio (MCR)

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

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

	Fund (MYR)	Class ABC (Denominated in MYR) (MYR)	Class XYZ (Denominated in MYR) (MYR)
NAV of the Fund before income and expenses	185,942,897	173,342,897	12,600,000
% MCR	100%	⁽¹⁾ 93.22%	⁽¹⁾ 6.78%
Add: Income	30,000	⁽²⁾ 27,966	⁽²⁾ 2,034
Less: Expenses	(10,000)	⁽²⁾ (9,322)	⁽²⁾ (678)
NAV of the Fund before management and trustee fee	185,962,897	173,361,541	12,601,356
Less: Management fee	(798)	0.15% p.a. (712)	0.20% p.a. (86)
Less: Trustee fee	(51)	0.02% p.a. (48)	- (3)
NAV of the Fund	185,962,048	173,360,781	12,601,267
Units in circulation	205,000,000 units	170,000,000 units	35,000,000 units
NAV per unit		1.0197	0.3600

	Fund (MYR)	Class ABC (Denominated in MYR) (MYR)	Class XYZ (Denominated in MYR) (MYR)
NAV of the Fund before creation of units for the day	185,962,048	173,360,781	12,601,267
⁽³⁾ Creation of units	2,000,000	1,000,000	1,000,000
Closing NAV	187,962,048	174,360,781	13,601,267
Units in circulation	208,758,458.36 units	170,980,680.59 units	37,777,777.77 units
NAV per unit		1.0197	0.3600

Note :

⁽¹⁾ MCR computation

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

⁽²⁾Apportionment based on MCR is as follows:

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

⁽³⁾Creation of units

	Class ABC (Denominated in MYR) (MYR)	Class XYZ (Denominated in MYR) (MYR)
Creation of units	MYR 1,000,000	MYR 1,000,000
NAV per unit	MYR 1.0197	MYR 0.3600
Number of units	980,680.59 units	2,777,777.77 units
Creation of units	MYR 1,000,000	MYR 1,000,000

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

3.2.2. Calculation of investment amount and units entitlement

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

Illustrations:

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

Assumptions:

NAV per unit of Class ABC denominated in MYR = MYR 0.5000 (truncated to 4 decimal places)
 Application Fee = Nil
 You wish to invest MYR 10,000 in the Class ABC.

Calculation of number of units that you will receive*

= Investment amount / NAV per unit of Class ABC
 = MYR 10,000.00 / MYR 0.5000
 = 20,000 units

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

= NAV per unit of Class ABC x number of units received x Application Fee rate
 = MYR 0.5000 x 20,000 units x 0%
 = MYR 0

Calculation of total amount that you will have to pay

= Investment amount + Application Fee paid
 = MYR 10,000.00 + MYR 0.00
 = MYR 10,000.00

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

Calculation of investment value

Assuming you have 40,000 units of Class ABC of the Fund and the NAV per unit of Class ABC for the day (which will be made known on the following Business Day) is MYR 0.5110 (truncated to 4 decimal places).

Calculation of investment value

= Number of units x NAV per unit of Class ABC
 = 40,000.0000 units x MYR 0.5110
 = MYR 20,440.00

Calculation of withdrawal value and amount payable to you

Assuming you have 50,000 units Class ABC of the Fund, you wish to withdraw MYR 10,000.00 from your investment. Your withdrawal request is received by us by 4:00 p.m. on a Business Day. The NAV per unit of Class ABC for that Business Day (which will be made known on the following Business Day) is MYR 0.5230 (truncated to 4 decimal places).

Calculation of number of units you withdraw

= Withdrawal value / NAV per unit of Class ABC
= MYR 10,000.00 / MYR 0.5230
= 19,120.45 units

Calculation of number of your remaining units

= Units held before withdrawal - Units withdrawn
= 50,000.0000 - 19,120.4500
= 30,879.5500 units

Calculation of amount payable to you

= Withdrawal value - withdrawal penalty paid
= MYR 10,000.00 - MYR 0.00
= MYR 10,000.00

3.3. INCORRECT PRICING

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

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

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

- (i) is equal to or more than 0.50% of the NAV per unit; and
- (ii) results in a sum total of MYR10 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 a Sophisticated Investor who is:

- 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). 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).

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

Further, if we become aware of a USA person (i.e. someone who has a USA address (permanent or mailing)) or USA 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 will issue a notice to that Unit holder requiring him/her to, within thirty (30) days, either withdraw the units or transfer the units to a non-USA person or non-USA entity.

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

3.4.2. How to invest?

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

You may invest:

- by crossed cheque, banker's draft, money order or cashier's order (made payable as advised by us as the case may be). You will have to bear the applicable bank fees and charges, if any;
- directly from your bank account, where applicable; or
- 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.

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 in each Class may differ and may be determined by us from time to time. Please refer to the Annexure of the respective Class for further information.

Note: You may request for a lower amount when purchasing units (or additional units), which will be at our sole and absolute discretion. However, you should note that we may, for any reason at any time, where applicable, accept or reject a lower amount and without having to assign any reason, either generally (for all Sophisticated Investors) or specifically (for any particular Sophisticated Investor, a group of Sophisticated Investors or investments made via any digital platform) without prior notice to you.

3.5.1. Processing an application

If we receive a complete application by 4:00 p.m. on a Business Day, we will process it using the NAV per unit for that Business Day. If we receive the complete 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 you receive will be rounded down to two (2) decimal places.

3.6. MINIMUM WITHDRAWALS

The minimum withdrawal for each Class may differ and may be determined by us from time to time, unless you are withdrawing your entire investment. Withdrawals can be made from the Fund by either completing a withdrawal form or sending a letter to us. There is no restriction on the frequency of withdrawals. We will transfer the withdrawal proceeds to the bank account number provided by you.

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

3.6.1. Processing a withdrawal

If we receive a complete withdrawal request by 4:00 p.m. on a Business Day, we will process it using the NAV per unit for that Business Day, which will be known on the following 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 penalty (if any). You will be paid in MYR within ten (10) calendar days of receipt of the complete withdrawal request. You will have to bear the applicable bank fees and charges, if any.

3.7. MINIMUM BALANCE

The minimum balance 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 the Annexure of the respective Class for further information. If the balance (i.e. number of units) of an investment drops below the minimum balance stipulated, you are required to make additional investment in order to meet the required minimum balance of investment. Otherwise, we have the discretion to switch your units to another Class with lower minimum balance requirement which may subject to higher fees or we can withdraw the entire investment and forward the proceeds to you.

Note: We may, for any reason at any time, where applicable, reduce the minimum balance, either generally (for all Sophisticated Investors) or specifically (for any particular Sophisticated Investor, a group of Sophisticated Investors or investments made via any digital platform) without prior notice to you. For increase in the number of units for minimum balance, we will require concurrence from the Trustee and you will be notified of such changes before implementation.

3.8. SWITCHING

Switching is available between the Classes of the Fund or between a Class and other Principal Islamic Malaysia's 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.

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, a group of Sophisticated Investors or investments made via any digital platform).

3.8.1 Processing a switch

We process a switch as a withdrawal from one fund or class and an investment into another fund or class within Principal Islamic Malaysia's funds. If we receive a complete switch request by 4:00 p.m. on a Business Day, we will process the switch-out using the NAV per unit of the fund or class 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 of the fund or class for the next Business Day (T+1).

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

3.9. TRANSFER FACILITY

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

3.10. COOLING-OFF PERIOD

You have six (6) Business Days after your initial investment (i.e. from the date the complete 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, Principal Islamic Malaysia's staff and person(s) registered with a body approved by the SC to deal in unit trust are not entitled to the cooling-off right.

3.11. TEMPORARY SUSPENSION

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

3.12. DISTRIBUTION PAYMENT

Distribution policy may be different for each Class. Please refer to the Annexure of the respective Class for further information.

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 a Unit holder in the Class by the cent per unit distribution amount. On the distribution date, the NAV per unit will adjust accordingly.

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 is rounded down to two (2) decimal places), unless written instructions to the contrary are communicated to us, in which you should have first furnished us with details of your bank account, that all distribution payment shall be paid into (the cost and expense will be borne by you). 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. Distribution payments will be made in MYR.

Note: Please note that we have the right to make provisions for reserves in respect of distribution of the Fund. If the income available is too small or insignificant, any distribution may not be of benefit to you as the total cost to be incurred in any such distribution may be higher than the amount for distribution. We have the discretion to decide on the amount to be distributed to

you. We also have the discretion to make income distribution on an ad-hoc basis, taking into consideration the level of its realised income and/or realised gains, as well as the performance of the Fund.

3.13. UNCLAIMED MONEYS

Any moneys payable to you which remain unclaimed after twelve (12) months as prescribed by Unclaimed Moneys Act 1965 ("UMA"), 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.

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

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

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

4. ADDITIONAL INFORMATION

4.1. FINANCIAL YEAR-END

30 November.

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 audited annual report showing snapshots of the Fund and details of the portfolio for the respective period reported. Both the quarterly report and the audited annual report will be sent to you within two (2) months of the end of the period reported.

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

Please take note that if your investments are made through the Distributor (i.e. 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 of the Fund on the Business Day your details are entered onto the register of Unit holders.

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 GLOLA;
- receive the distribution of the Fund (if any), participate in any increase in the capital value of the units and to other rights and privileges as set out in the Fund's Deed;
- 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 the Manager 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 the Manager through a special resolution; and
- receive annual reports or any other reports of the Fund.

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

Liabilities

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

Limitations

You cannot:

- interfere with any of our rights or powers and/or the rights or powers of the Trustee under the Deed;
- 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
- require the asset of the Fund to be transferred to you.

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

4.5. DOCUMENTS AVAILABLE FOR INSPECTION

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

- The Deed;
- Information Memorandum and supplementary or replacement information memorandum, if any;
- Material contracts or documents disclosed in this Information Memorandum;
- The latest annual and interim reports of the Fund, which includes the audited financial statements of the Fund (where available) for the current financial year and for the last three (3) financial years or if less than three (3) years, from the date of launch of the Fund; and
- The audited financial statements of the Manager 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 times act in your best interests and will not conduct ourselves in any manner that will result in a conflict of interest or potential conflict of interest. In the unlikely event that any conflict of interest arises, such conflict shall be resolved such that the Fund is not disadvantaged. In the unlikely event that we face conflicts in respect of our duties as the Manager to the Fund and to other Principal Islamic Malaysia's funds that we manage, we are obliged to act in the best interests of all our investors and will seek to resolve any conflicts fairly and in accordance with the Deed.

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

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

Director / Shareholder	Position	Shareholding (Direct / Indirect)	Name of corporation
CIMB Group Sdn Bhd	Shareholder	Direct	Principal Asset Management Bhd
		Indirect	CIMB-Mapletree Management Sdn Bhd *

Note: *As at LPD, CIMB-Mapletree Management Sdn. Bhd. has passed a special resolution on 9 May 2019 of which CIMB-Mapletree Management Sdn. Bhd. be wound up as a members' voluntary liquidation and a liquidator be appointed.

The Fund may maintain Islamic Deposits with CIMB 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.

The Trustee

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

- (1) where the Fund invests in instrument(s) offered by the related party of the Trustee (e.g. placement of monies, 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 custodied by the related party of the Trustee both as sub-custodian and/or global custodian of the Fund (i.e. Trustee's delegate); and
- (4) where the Fund obtains financing as permitted under the GLOLA, from the related party of the Trustee.

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

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

4.8. EMPLOYEES' SECURITIES DEALINGS

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

5. THE MANAGER

5.1. ABOUT PRINCIPAL ISLAMIC ASSET MANAGEMENT SDN BHD

Principal Islamic Malaysia is a dedicated Islamic global institutional asset management house offering holistic and pure management of Islamic assets with end-to-end processes in accordance with Islamic principles. It provides a holistic choice for investors looking for Shariah-compliant investment solutions across various asset classes and local, regional and global investment strategies.

Principal Islamic Malaysia is a joint-venture between the Principal Financial Services, Inc (a wholly-owned subsidiary of PFG) and CIMB Group. Principal Islamic Malaysia obtained its license to operate as an Islamic Fund Management Company in August 2009 from the SC. Principal Islamic Malaysia is one of the first companies in the industry to be awarded an Islamic fund management license by the SC.

Headquartered in Kuala Lumpur, Principal Islamic Malaysia 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 company 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 Principal Islamic Malaysia as the Manager of the Fund include:

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

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

5.1.1. Designated person responsible for fund management function

Name:	Mohd Fadzil Mohamed
Designation:	Chief Investment Officer, Principal Islamic Malaysia
Experience:	<p>Fadzil is the Chief Investment Officer of Principal Islamic Malaysia. He has more than 22 years of experience in asset management and accumulated knowledge in various aspects of the industry that includes but not limited to in fixed income fund management, economics and research.</p> <p>Under his management, Principal Islamic Malaysia has won three awards from a public pension fund namely Best 3-year ROI Global Sukuk Portolio Manager 2017, Best 3-Year ROI Domestic Sukuk Fund Manager 2019 and Best Domestic Sukuk Fund Manager 2019.</p> <p>He formerly served as CEO and CIO Fixed Income for a local asset management company with over 70 staffs. In his previous company, he has won two Morningstar awards in 2015 for Best MYR Bond Fund and Best MYR Islamic Bond Fund categories.</p>
Qualifications:	BSc (Economics) Hons degree in Accounting and Finance from the University of Aberystwyth, Wales, UK.

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

6. THE TRUSTEE

6.1. 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 MYR1,050,000 and a paid-up share capital of MYR 525,000.

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 GLOLA;
- 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 GLOLA 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 GLOLA 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.

6.1.1 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.

7. THE SHARIAH ADVISER

7.1. ABOUT AMANIE ADVISORS SDN BHD

Amanie Advisors Sdn Bhd is a Shariah advisory, consultancy, training and research and development boutique for institutional and corporate clientele focusing on Islamic financial services. It has been established with the aim of addressing the global needs for experts and Shariah scholars' pro-active input. One of the first global boutique Shariah advisory houses for Islamic Finance, Amanie was founded in 2005 by internationally renowned Shariah scholar Datuk Dr Mohd Daud Bakar. The company is led by Datuk Dr. Mohd Daud Bakar and teamed by an active and established panel of consultants covering every aspect related to the Islamic banking and finance industry both in Malaysia and the global market. Currently, the team comprises of eight (8) full-time consultants who represent dynamic and experienced professionals with a mixture of Shariah law, corporate finance, accounting, product development, and education. Amanie is also a registered Shariah Advisers (Corporation) with the SC. As at LPD, Amanie has acquired more than fourteen (14) years of experience in the advisory role of unit trusts and has advised more than 200 funds locally and globally.

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

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

Amanie will meet the Manager every quarterly to address Shariah advisory matters pertaining to the Islamic funds. An annual Shariah certificate will also be issued for the Fund at the financial year end.

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

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

7.1.1. Designated Person Responsible for Shariah Adviser Function

Name:	Datuk Dr. Mohd Daud Bakar
Designation:	Executive Chairman, Amanie Advisors Sdn Bhd
Experience:	<p>Datuk Dr. Mohd Daud Bakar is the Founder and Executive Chairman of Amanie Group. One of its flagship companies namely Amanie Advisors, is operating in few cities globally. He currently serves as the Chairman of the Shariah Advisory Council at the Central Bank of Malaysia, the Securities Commission of Malaysia, the Labuan Financial Services Authority, the First Abu Dhabi Bank, and Permodalan Nasional Berhad. He is also a Shariah board member of various global financial institutions, including the National Bank of Oman (Oman), Amundi Asset Management (France), Bank of London and Middle East (London), BNP Paribas Najma (Bahrain), Natixis Bank (Dubai), Oasis Asset Management (South Africa), Noor Islamic Bank (Dubai), Morgan Stanley (Dubai), Sedco Capital (Saudi and Luxembourg), and Dow Jones Islamic Market Index (New York) amongst many others.</p> <p>In the corporate world, Datuk sits as a Board Director at Sime Darby Property Berhad and a member of the PNB Investment Committee. He was recently appointed as a Chairman to Malaysia Islamic Economic Development Foundation (YaPEIM). He is also the third Chair Professor in Islamic Banking and Finance of Yayasan Tun Ismail Mohamed Ali Berdaftar (YTI) PNB at Faculty of Economics and Muamalat, Universiti Sains Islam Malaysia (USIM). In addition, he is the co-founder of Experts Analytics Centre Sdn Bhd and MyFinb, as well as the Editor-in-Chief of Malaysian Business.</p>
Qualifications:	Prior to this, Datuk was the Deputy Vice-Chancellor at the International Islamic University Malaysia. He received his first degree in Shariah from University of Kuwait in 1988 and obtained his PhD from University of St. Andrews, United Kingdom in 1993. In 2002, he completed his external Bachelor of Jurisprudence at University of Malaya.

Note: For more and/or updated information, please refer to our website at <http://www.principalislamic.com> and/or Shariah Adviser's website at <http://amanieadvisors.com>.

ANNEXURE – CLASS A

This section is only a summary of the salient information about Class A. 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. Principal Islamic Malaysia, member companies of the PFG, the CIMB Group and the Trustee do not guarantee the repayment of capital.

CLASS INFORMATION

	Class A	Page
Currency denomination	MYR	
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.	12

FEES & CHARGES

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

Charges	Class A	Page
Application Fee	Nil.	5
Withdrawal Penalty	Nil.	5
Switching Fee	Switching is treated as a withdrawal from this Class and an investment into another Class or Principal Islamic Malaysia's fund (or its class). As such, you may be charged a switching fee equal to the difference (if any) between the Application Fee of this Class and the Application Fee of the other Class or Principal Islamic Malaysia's fund (or its class). Switching fee will not be charged if the Class or Principal Islamic Malaysia's fund (or its class) to be switched into has a lower Application Fee. In addition, we may impose a MYR 100 administrative fee for each switch. You may negotiate to lower the switching fee and/or administrative fees with us or our Distributors. We also have the discretion to waive the switching fee and/or administrative fees.	5
Transfer Fee	A maximum of MYR 50 may be charged for each transfer.	5
Other charges payable directly by you when purchasing or withdrawing the units	Any applicable bank charges and other bank fees incurred as a result of an investment or withdrawal will be borne by you.	

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

Fees	Class A	Page
Management Fee	Up to 0.30% per annum of the NAV of the Class.	5
Trustee Fee	Up to 0.025% per annum, calculated daily on the NAV of the Fund (including local custodian fees and charges but excluding foreign sub-custodian fees and charges), subject to a minimum fee of Ringgit Malaysia Twelve Thousand (RM12,000.00) per annum.	5
Expenses directly related to Fund	Only expenses that are directly related to the Fund can be charged to the Fund. Examples of relevant expenses are audit fee and tax agent's fee.	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, a group of Sophisticated Investors or investments made via any digital platform) and for any period or periods of time at our absolute discretion.

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

TRANSACTION INFORMATION

	Class A	Page
Minimum initial investment	MYR 1 million or such other amount as we may decide from time to time.	11
Minimum additional investment	MYR 1 million or such other amount as we may decide from time to time.	11
Minimum withdrawal	MYR 250,000 or such other amount as we may decide from time to time.	11
Minimum balance	250,000 units or such other number of units as we may decide from time to time.	11
Switching	Switching will be conducted based on the value of your investments in the Class. The minimum amount for a switch is subject to: <ul style="list-style-type: none"> ▪ for switching out of the Class: <ul style="list-style-type: none"> ○ the minimum withdrawal applicable to the Class; ○ the minimum balance required (after the switch) for the Class, unless you are withdrawing from the Class in entirety; and ○ the withdrawal penalty of the Class (if any) ▪ for switching into a Class <ul style="list-style-type: none"> ○ the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Class; and ○ the switching fee applicable for the proposed switch (if any). <p>You may negotiate to lower the amount for your switch with us or our Distributors.</p>	12
Transfer	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.	12

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

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 – CLASS B

This section is only a summary of the salient information about Class B. 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. Principal Islamic Malaysia, member companies of the PFG, the CIMB Group and the Trustee do not guarantee the repayment of capital.

CLASS INFORMATION

	Class B	Page
Currency denomination	MYR	
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.	12

FEES & CHARGES

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

Charges	Class B	Page
Application Fee	Nil.	5
Withdrawal Penalty	Nil.	5
Switching Fee	Switching is treated as a withdrawal from this Class and an investment into another Class or Principal Islamic Malaysia's fund (or its class). As such, you may be charged a switching fee equal to the difference (if any) between the Application Fee of this Class and the Application Fee of the other Class or Principal Islamic Malaysia's fund (or its class). Switching fee will not be charged if the Class or Principal Islamic Malaysia's fund (or its class) to be switched into has a lower Application Fee. In addition, we may impose a MYR100 administrative fee for each switch. You may negotiate to lower the switching fee and/or administrative fees with us or our Distributors. We also have the discretion to waive the switching fee and/or administrative fees.	5
Transfer Fee	A maximum of MYR 50 may be charged for each transfer.	5
Other charges payable directly by you when purchasing or withdrawing the units	Any applicable bank charges and other bank fees incurred as a result of an investment or withdrawal will be borne by you.	

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

Fees	Class B	Page
Management Fee	Up to 0.25% per annum of the NAV of the Class.	5
Trustee Fee	Up to 0.025% per annum, calculated daily on the NAV of the Fund (including local custodian fees and charges but excluding foreign sub-custodian fees and charges), subject to a minimum fee of Ringgit Malaysia Twelve Thousand (RM12,000.00) per annum.	5
Expenses directly related to Fund	Only expenses that are directly related to the Fund can be charged to the Fund. Examples of relevant expenses are audit fee and tax agent's fee.	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, a group of Sophisticated Investors or investments made via any digital platform) and for any period or periods of time at our absolute discretion.

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

TRANSACTION INFORMATION

	Class B	Page
Minimum initial investment	MYR 25 million or such other amount as we may decide from time to time.	11
Minimum additional investment	MYR 1 million or such other amount as we may decide from time to time.	11
Minimum withdrawal	MYR 250,000 or such other amount as we may decide from time to time.	11
Minimum balance	1 million units or such other number of units as we may decide from time to time.	11
Switching	Switching will be conducted based on the value of your investments in the Class. The minimum amount for a switch is subject to: <ul style="list-style-type: none"> ▪ for switching out of the Class: <ul style="list-style-type: none"> ○ the minimum withdrawal applicable to the Class; ○ the minimum balance required (after the switch) for the Class, unless you are withdrawing from the Class in entirety; and ○ the withdrawal penalty of the Class (if any) ▪ for switching into a Class <ul style="list-style-type: none"> ○ the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Class; and ○ the switching fee applicable for the proposed switch (if any). <p>You may negotiate to lower the amount for your switch with us or our Distributors.</p>	12
Transfer	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.	12

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

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 – CLASS C

This section is only a summary of the salient information about Class C. 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. Principal Islamic Malaysia, member companies of the PFG, the CIMB Group and the Trustee do not guarantee the repayment of capital.

CLASS INFORMATION

	Class C	Page
Currency denomination	MYR	
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.	12

FEES & CHARGES

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

Charges	Class C	Page
Application Fee	Nil.	5
Withdrawal Penalty	Nil.	5
Switching Fee	Switching is treated as a withdrawal from this Class and an investment into another Class or Principal Islamic Malaysia's fund (or its class). As such, you may be charged a switching fee equal to the difference (if any) between the Application Fee of this Class and the Application Fee of the other Class or Principal Islamic Malaysia's fund (or its class). Switching fee will not be charged if the Class or Principal Islamic Malaysia's fund (or its class) to be switched into has a lower Application Fee. In addition, we may impose a MYR100 administrative fee for each switch. You may negotiate to lower the switching fee and/or administrative fees with us or our Distributors. We also have the discretion to waive the switching fee and/or administrative fees.	5
Transfer Fee	A maximum of MYR 50 may be charged for each transfer.	5
Other charges payable directly by you when purchasing or withdrawing the units	Any applicable bank charges and other bank fees incurred as a result of an investment or withdrawal will be borne by you.	

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

Fees	Class C	Page
Management Fee	Up to 0.20% per annum of the NAV of the Class.	5
Trustee Fee	Up to 0.025% per annum, calculated daily on the NAV of the Fund (including local custodian fees and charges but excluding foreign sub-custodian fees and charges), subject to a minimum fee of Ringgit Malaysia Twelve Thousand (RM12,000.00) per annum.	5
Expenses directly related to Fund	Only expenses that are directly related to the Fund can be charged to the Fund. Examples of relevant expenses are audit fee and tax agent's fee.	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, a group of Sophisticated Investors or investments made via any digital platform) and for any period or periods of time at our absolute discretion.

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

TRANSACTION INFORMATION

	Class C	Page
Minimum initial investment	MYR 50 million or such other amount as we may decide from time to time.	11
Minimum additional investment	MYR 1 million or such other amount as we may decide from time to time.	11
Minimum withdrawal	MYR 250,000 or such other amount as we may decide from time to time.	11
Minimum balance	25 million units or such other number of units as we may decide from time to time.	11
Switching	Switching will be conducted based on the value of your investments in the Class. The minimum amount for a switch is subject to: <ul style="list-style-type: none"> ▪ for switching out of the Class: <ul style="list-style-type: none"> ○ the minimum withdrawal applicable to the Class; ○ the minimum balance required (after the switch) for the Class, unless you are withdrawing from the Class in entirety; and ○ the withdrawal penalty of the Class (if any) ▪ for switching into a Class <ul style="list-style-type: none"> ○ the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Class; and ○ the switching fee applicable for the proposed switch (if any). <p>You may negotiate to lower the amount for your switch with us or our Distributors.</p>	12
Transfer	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.	12

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

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.

Principal Islamic Asset Management Sdn Bhd (199101007531 (217841-M))

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