

Supplement
for the
Islamic ASEAN Equity Fund

30 November 2018

CIMB-Principal Islamic Asset Management (Ireland) plc

This Supplement contains specific information in relation to the Islamic ASEAN Equity Fund (the "**Fund**"), a Fund of the CIMB-Principal Islamic Asset Management (Ireland) plc (the "**Company**"), an open-ended umbrella type investment company with variable capital and segregated liability between its Funds governed by the laws of Ireland and authorised by the Central Bank of Ireland (the "**Central Bank**") as an undertaking for collective investment in transferable securities pursuant to the Regulations.

The Directors of the Company, whose names appear in the Prospectus, accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of the information. The Directors accept responsibility accordingly.

This Supplement forms part of and should be read in conjunction with the Prospectus for the Company dated 30 November 2018 (the "Prospectus").

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement

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1 Investment Objective, Policies and Profile of a Typical Investor

1.1 Investment Objective:

The investment objective of the Fund is to seek capital growth over the medium to long term.

1.2 Investment Policies:

The Fund seeks to achieve its objective by investing principally in the equity securities and equity related securities comprising depository receipts of companies that are domiciled or with their core business in the Association of Southeast Asian Nations ("**ASEAN**") region, which the Investment Manager believes are mispriced by the market and have the potential for significant growth.

All of the securities acquired by the Fund (other than permitted unlisted investments) will be listed or traded on the Markets referred to in Appendix II, subject to the Markets being in the ASEAN region which include, but are not limited to, Indonesia, Malaysia, the Philippines, Singapore, Thailand, Vietnam, Laos, Myanmar, Cambodia and Brunei Darussalam and such other countries in the ASEAN region as are identified by the Investment Manager from time to time. In order to be eligible for investments the regulatory authority of the Market must be an ordinary or associate member of the International Organization of Securities Commissions (IOSCO) – further details of which are set out in www.iosco.org.

The Fund may also invest in ancillary liquid assets such as bank deposits, fixed or variable rate instruments including but not limited to commercial paper, variable rate notes, certificates of deposit and Sukuk issued by sovereign, quasi-sovereign or corporate entities. Such investments may or may not be of investment grade by a recognised rating agency such as Moody's or Standard & Poor's.

The Fund may also invest up to 10% of Net Asset Value in Shariah-compliant UCITS eligible collective investment schemes and Shariah-compliant exchange traded funds (ETFs) the constituents of which will be the types of instruments in which the Fund may directly invest.

All of the securities and other instruments acquired by the Fund will be subject to the guidelines specified in the Shariah Investment Guidelines set out in the section below entitled Investment Restrictions.

As the Fund may invest more than 20% of Net Asset Value in emerging markets an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

1.3 Profile of a typical investor:

The Fund is suitable for investors seeking capital growth over the medium to long term and who are prepared to accept a medium degree of risk and volatility of net asset value from time to time in normal market conditions.

2 Investment Restrictions

2.1 The investment restrictions set out under the headings **Investment Restrictions** in the Prospectus shall apply to the Fund.

2.2 The following additional restrictions will apply:

- (a) The Fund's investments in transferable Shariah-compliant securities and money market instruments issued by any single issuer must not exceed 15% of the Fund's Net Asset Value;
- (b) The Fund's investments in transferable Shariah-compliant securities (including Sukuk) must not exceed 10% of the securities issued by any single issuer;
- (c) The Fund's investment in Shariah-compliant money market instruments must not exceed 10% of the instruments issued by any single issuer;
Note: This limit may be disregarded if the Shariah-compliant money market instrument does not have pre-determined issued size.
- (d) The value of the Fund's OTC Shariah-compliant derivative transaction with any single counter-party must not exceed 5% of the Fund's Net Asset Value and the Fund's exposure from derivatives position should not exceed the Fund's Net Asset Value at all times;
- (e) The Fund's investments in Shariah-compliant collective investment scheme must not exceed 25% of the overall number of issued units/shares in any one Shariah-compliant collective investment scheme.
- (f) In the case of cross-investment in a sister sub-fund of the Company the following additional restrictions apply:
 - (i) The investment shall not be made in a sub-fund which itself holds units in any other sub-fund within the Company;
 - (ii) the rate of the annual investment management fee which investors in the Fund are charged in respect of that portion of the Fund's assets invested in the shares of the other sub-funds of the Company (the **Receiving Funds**) (whether such fee is paid directly at the Fund level, indirectly at the level of the Receiving Funds or a combination of both) shall not exceed the rate of the maximum annual investment management fee which investors in the Fund may be charged in respect of the balance of the Fund's assets, such that there shall be no double charging of the annual investment management fee to the Fund as a result of its investments in the Receiving Fund.

2.3 The general investment restrictions set out under the headings Shariah Investment Guidelines in the Prospectus shall apply to the Fund. The following also constitute the Shariah Investment Guidelines in respect of the Fund:

- (a) Securities which are Shariah-complaint listed under the list of Shariah-compliant securities included in the Dow Jones Islamic Market Index. Further details on the Index may be obtained on www.djindexes.com.
- (b) Securities which are not listed on the list of Shariah-compliant securities approved by the Dow Jones Islamic Market Index shall comply with the following guidelines approved by the Shariah Adviser:

- (c) Investment is not allowed in companies which are directly active in, or derive more than 5% of their revenue (cumulatively) from the manufacture and/or sale and/or distribution of the following goods and services:
 - (i) alcohol;
 - (ii) tobacco;
 - (iii) pork-related products;
 - (iv) conventional financial services (banking, insurance, etc.);
 - (v) weapons and defence;
 - (vi) entertainment (hotels, casinos/gambling, cinema, pornography, music, etc.).
- (d) Investment in companies with the following criteria is not allowed:
 - (i) Total debt divided by trailing 24-month average market capitalization is equal or more than 33% where “total debt” equals short term debt plus long term debt;
 - (ii) The sum of a company’s cash and interest-bearing securities divided by trailing 24-month average market capitalization is equal or more than 33%; and
 - (iii) Accounts receivables divided by trailing 24-month average market capitalization is equal or more than 33%, where “accounts receivables” means current receivables plus longer-term receivables.
- (e) Bank deposits shall be placed in Shariah-compliant accounts issued by licensed Islamic financial institutions or non-interest bearing accounts. The Fund is also prohibited from investing in interest-bearing deposits and recognising any interest income.
- (f) Money market instruments that are endorsed by other Shariah advisers or committee must be approved by the Shariah Adviser upon review of the relevant documents e.g. principal terms and conditions and Shariah pronouncement or approvals;
- (g) Shariah-compliant UCITS eligible collective investment schemes which are endorsed by other Shariah advisers 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;
- (h) FDI that are endorsed by other Shariah Advisers or committees must be approved by the Shariah Adviser upon review of the relevant documents e.g. principal terms and conditions and Shariah pronouncements or approvals.

3 Financial Derivative Instruments (FDI)

The Fund may enter into Islamic forward foreign exchange contracts and Islamic profit rate swaps for efficient portfolio management purposes in accordance with the investment restrictions, conditions and limits laid down by the Central Bank.

The following is a description of the types of FDI which may be used by the Fund:

3.1 Islamic Forward Foreign Exchange Contracts

The Base Currency of the Fund is USD and exposure to currencies other than USD may, at the Investment Manager's discretion, be fully or partially hedged back to USD through the use of Shariah-compliant currency forwards. These are non-standardized, negotiated, over the counter contract between two parties to buy or sell currency at a specified future time at a price agreed upon today.

They reduce the Fund's exposure to changes in the value of the currency it will deliver and increases its exposure to changes in the value of the currency it will receive for the duration of the contract. Such forwards may also be non-deliverable and structured so as to be cash settled, usually on a thinly traded currency or non-convertible currency.

The Fund may enter into these contracts to hedge against exchange risk or to shift exposure to currency fluctuations from one currency to another.

3.2 Islamic Profit rate swaps (IPRS)

An IPRS is individually negotiated and traded over the counter. It involves the exchange by the Fund with another party of their respective commitments to receive certain cash flows for a specified period of time. One stream of future cash flows is exchanged for another, based on a specified principal amount. It is generally an exchange by the Fund of fixed rate cash flows for floating rate cash flows. The Fund therefore obtains floating rate interest exposure.

These are used to manage interest rate risk. Swap agreements are subject to liquidity risk, meaning that the Fund may be unable to sell a swap contract to a third party at a favourable price. The Fund bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a counterparty.

The Company employs a risk-management process in respect of the Fund which enables it to accurately measure, monitor and manage the various risks associated with FDIs. The Fund may only utilise the FDIs listed in the risk management process as cleared by the Central Bank. The Investment Manager uses a risk management technique known as the commitment approach to calculate the Fund's global exposure to ensure that the Fund's use of FDI is within the limits specified by the Central Bank. On request, supplementary information will be provided to Shareholders relating to the risk management methods employed including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investment.

The Fund's global exposure and leverage (as prescribed by the Central Bank) relating to FDI will not exceed 100% of the Fund's Net Asset Value. Simple leverage is calculated as being global exposure divided by the Fund's Net Asset Value.

4 Risk Factors

The general risk factors under the heading **Risk Factors** in the Prospectus apply to the Fund.

AN INVESTMENT IN THE SHARES OF THE FUND IS SPECULATIVE AND INVOLVES A DEGREE OF RISK. ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD CONSIDER THE RISK FACTORS. THESE RISK FACTORS MAY NOT BE A COMPLETE LIST OF ALL RISK FACTORS ASSOCIATED WITH AN INVESTMENT IN THE FUND.

BEFORE DETERMINING TO INVEST IN THE FUND, PROSPECTIVE INVESTORS SHOULD EVALUATE WHETHER THEY ACCEPT THE RISKS WHICH THEY WILL ASSUME BY BUYING SHARES OF THE FUND. THE LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS INVOLVED IN THIS OFFERING.

PROSPECTIVE INVESTORS SHOULD READ THE ENTIRE PROSPECTUS AND THIS SUPPLEMENT AND FULLY EVALUATE ALL OTHER INFORMATION THAT THEY DEEM TO BE NECESSARY BEFORE DETERMINING TO INVEST IN THE FUND.

5 Sub-Investment Adviser

The Investment Manager has appointed CIMB-Principal Asset Management Berhad ("**CPAM**") to act as a sub-investment adviser to the Fund. CPAM will provide non-discretionary portfolio management activities. Further details of CPAM are contained within the section of the Prospectus entitled **Sub-Investment Advisers**.

6 Dividend Policy

The general distribution policy set out under the heading **Dividend Policy** of the Prospectus applies to the Fund save that the Directors will be entitled to pay dividends only out of net income (consisting of realised income less expenses) and/or realised gains net of realised losses of the Fund. Dividends will not be paid out of unrealised income or unrealised gains.

Dividends on the Shares described as "Income Shares" in section 7 below will be declared for the USD, SGD, Euro and GBP Income Shares, dividends will be declared annually at the end of the Fund's financial year.

Dividends on all Income Shares will be paid within 30 days of the respective dividend declaration date specified above.

Such dividends may be paid in cash in which case they will be paid by telegraphic transfer to the nominated account of the Shareholder at its risk and expense.

It is not the intention of the Directors to declare a dividend in respect of the Shares described as "Accumulation Shares" in section 7 below. Any distributable amounts attributable to such Accumulation Shares will remain in the Fund's assets and be reflected in the Net Asset Value of the Accumulation Shares.

7 Key Information for Buying and Selling

Shares in the Fund will be available in different classes as follows:

USD A Class Accumulation Shares

USD A Class Income Shares

Euro A Class Accumulation Shares

Euro A Class Income Shares

SGD A Class Accumulation Shares

SGD A Class Income Shares (together the **A Class Shares**)

GBP R Class Accumulation Shares

GBP R Class Income Shares (together the **R Class Shares**)

USD I Class Accumulation Shares
USD I Class Income Shares
Euro I Class Accumulation Shares
Euro I Class Income Shares
GBP I Class Accumulation Shares
GBP I Class Income Shares
SGD I Class Accumulation Shares
SGD I Class Income Shares (together the **I Class Shares**)

Initial Offer Period save for the USD A and USD I Class Accumulation Shares

From 9.00 a.m. on 3 December 2018 to 5.30pm (Irish time) on 31 May 2019 or such earlier or later date as the Directors may determine and notify periodically to the Central Bank:

Initial Issue Price save for the USD A and USD I Class Accumulation Shares

USD 10.00 per Share (or its equivalent in another currency).

Dealing Deadline

10.00am (Irish time) on the relevant Dealing Day or such other time, provided it is on or before the relevant Valuation Point, as the Directors may determine and notify Shareholders in advance. The Directors may agree to accept specific applications after the Dealing Deadline, but before the relevant Valuation Point, at their discretion in exceptional circumstances.

Dealing Day

Any Business Day and/or such other day as the Directors may, with the consent of the Administrator, determine and notify in advance to Shareholders provided that there is at least one Dealing Day per fortnight.

Business Day

A day on which banks in Ireland are open for normal business or such other days as the Directors may determine and notify to Shareholders in advance.

Minimum Holding

A Class Shares USD 10,000 or other currency equivalent
R Class Shares USD 10,000 or other currency equivalent
I Class Shares USD 2,000,000 or other currency equivalent

Minimum Initial Subscription

A Class Shares USD 10,000 or other currency equivalent
R Class Shares USD 10,000 or other currency equivalent

I Class Shares USD 2,000,000 or other currency equivalent

The Directors may at their discretion waive the limits for minimum holdings and/or subscriptions.

Minimum Redemption Amount

None

Settlement Date

In the case of subscription(s), cleared funds must be received on or before 3 Business Days after the relevant Dealing Day. In the case of redemption(s), payments of redemption proceeds will generally be settled on the third Business Day following the relevant Dealing Day (T+3), but in any event within ten Business Days from the relevant Dealing Day (T+10). Payment will only be made to an account in the name of the registered Shareholder. No payments to third parties will be made.

Base Currency

US Dollars (USD)

Valuation Point

10.00am (Irish time) on the relevant Dealing Day unless otherwise specified by the Directors and notified in advance to Shareholders.

Initial Charge

5.00% of the amount of the investment in the A Class Shares. No initial charge is payable in respect of the R Class Shares or the I Class Shares.

8 Fees and Expenses

8.1 The Investment Manager is entitled to an investment management fee as set out in the table below.

Share Class	Investment Management Fee (% of NAV per annum)
A Class	1.50%
R Class	0.80%
I Class	1.00% on first USD 5 million 0.70% between USD 5 and 50 million 0.60% over USD 50 million

8.2 This fee will accrue and be calculated on each Valuation Day and be payable monthly in arrears. The Investment Manager will also be entitled to be reimbursed out of the assets of the Fund for all its own reasonable out of pocket costs and expenses.

8.3 Any other fees and expenses payable out of the assets of the Fund are set out in the Prospectus under the heading **Fees and Expenses**.

9 Listing

Application has been made to Euronext Dublin for the Shares of the Fund issued and available for issue, to be admitted to listing on the Official List and trading on the Global Exchange Market of Euronext Dublin.

10 Appointment of Shariah Adviser(s)

The Company has the sole right to appoint the Shariah Adviser(s) for the Fund without approval from Shareholders.

11 Miscellaneous

As at the date of this Supplement there is one other Fund of the Company in existence, namely the Global Sukuk Fund.