

# PROSPECTUS

## SIGNATURE DYNAMIC INCOME FOCUS-*i*FUND

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

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

This Prospectus Issue No. 1 for the Signature Dynamic Income Focus-*i*Fund is dated XX XX 2026.

This Fund was constituted on XX XX 2026.

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

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED **BY PROSPECTIVE INVESTORS, SEE “RISK FACTORS” COMMENCING ON PAGE 8.**

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

THIS PROSPECTUS HAS NOT BEEN REGISTERED BY THE SECURITIES COMMISSION MALAYSIA (“SC”). THE INFORMATION IN THIS PROSPECTUS MAY BE SUBJECT TO FURTHER AMENDMENTS BEFORE BEING REGISTERED BY THE SC. UNDER NO CIRCUMSTANCES SHALL THIS PROSPECTUS CONSTITUTE AN OFFER FOR SUBSCRIPTION OR PURCHASE OF, OR AN INVITATION TO SUBSCRIBE FOR OR PURCHASE UNITS.

# ABOUT THIS DOCUMENT

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

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

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notices, legislations or statutes for the time being in force, as may be amended, varied, modified, updated, superseded and/or re-enacted from time to time.

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

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

## PROSPECTUS DETAILS

Issue No.	1
Prospectus Date	xx xx 2026

## RESPONSIBILITY STATEMENTS

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

## STATEMENTS OF DISCLAIMER

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

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

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

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

## ADDITIONAL STATEMENTS

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

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

**INVESTORS SHOULD BE AWARE THAT THE CAPITAL OF THE FUND WILL BE ERODED WHEN THE FUND DECLARES DISTRIBUTION OUT OF CAPITAL AS THE DISTRIBUTION IS ACHIEVED BY FORGOING THE POTENTIAL FOR FUTURE CAPITAL GROWTH AND THIS CYCLE MAY CONTINUE UNTIL ALL CAPITAL IS DEPLETED.**

# DEFINITIONS

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

Application Fee	- Preliminary charge on each investment.
AUD	- Australian Dollar.
<i>baitulmal</i>	- Treasury of a State Islamic Religious Council.
Bloomberg	- Bloomberg LP.
BNM	- Bank Negara Malaysia.
Business Day	- Mondays to Fridays when Bursa Malaysia Securities Berhad is open for trading, and/or banks in Kuala Lumpur and/or Selangor are open for business. <i>Note: We may declare certain Business Days to be a non-Business Day, if the Fund's investment in foreign markets which are closed for business or suspended is at least 50% of the Fund's NAV.</i>
CIMB Group	- CIMB Group Sdn. Bhd.
CIS	- Collective investment schemes.
Class	- Any class of units representing similar interest in the assets of the Fund.
Class AUD-Hedged	- The Class issued by the Fund denominated in AUD that aims to minimize the effect of exchange rate fluctuations between the base currency of the Fund (i.e. USD) and AUD.
Class MYR	- The Class issued by the Fund denominated in MYR.
Class MYR-Hedged	- The Class issued by the Fund denominated in MYR that aims to minimise the effect of exchange rate fluctuations between the base currency of the Fund (i.e. USD) and MYR.
Class SGD-Hedged	- The Class issued by the Fund denominated in SGD that aims to minimize the effect of exchange rate fluctuations between the base currency of the Fund and SGD.
Class USD	- The Class issued by the Fund denominated in USD.
CMSA	- Capital Markets and Services Act 2007.
Commencement Date	- The next Business Day immediately following the end of the initial offer period of the respective Class.
Deed	- The principal deed 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 Deed.
Distributor	- Any relevant persons and bodies appointed by Principal Malaysia from time to time, who are responsible for selling units of the Fund, including Principal Distributors and IUTAs.
Eligible Market	- Means an exchange, government securities market or an OTC market that is regulated by a regulatory authority of that jurisdiction; that is open to the public or to a substantial number of market participants; and on which financial instruments are regularly traded.
ETF	- Exchange-Traded Fund.
Fund or iSDIF	- Signature Dynamic Income Focus- <i>i</i> Fund.
GUTF	- Guidelines on Unit Trust Funds issued by the SC.
HSBC Group	- HSBC Holdings plc, its subsidiaries, related bodies corporate, associated entities and undertakings and any of their branches.
IHS Markit	- IHS Markit Ltd.
IMS	- Investment Management Standards issued by the Federation of Investment Managers Malaysia.
Islamic Deposit	- As per the definition of "Islamic deposit" in the Islamic Financial Services Act 2013.
IUTA	- Refers to "Institutional Unit Trust Schemes Adviser", a corporation registered with the Federation of Investment Managers Malaysia and authorised to market and distribute unit trust schemes of another party.
LPD	- Latest Practicable Date, i.e. 31 March 2026, in which all information provided herein, shall remain current and relevant as at such date.
Management Fee	- A percentage of the NAV of the Class that is paid to us for managing the portfolio of the Fund.
MCR	- Multi-class ratio, being the apportionment of the NAV of each Class over the Fund's NAV based on the size of each Class. The MCR is calculated by dividing the NAV of the respective Class by the NAV of the Fund before income and expenses for the day. The apportionment is expressed as a ratio and calculated as a percentage.
MYR	- Malaysian Ringgit.
NAV	- Net Asset Value.
NAV of the Class	- The NAV of the Fund attributable to a Class at the same valuation point.

NAV of the Fund	- The value of all the Fund's assets less the value of all the Fund's liabilities, at the point of valuation. For the purpose of computing the Management Fee (if any) and Trustee Fee (if any), the NAV of the Fund should be inclusive of the Management Fee and Trustee Fee for the relevant day.
NAV per unit	- The NAV attributable to a Class divided by the number of units in circulation for that Class, at the valuation point.
OTC	- Over-the-counter.
PFG	- Principal Financial Group, Inc.
Principal Distributors	- The authorised unit trust scheme consultants registered with Principal Malaysia.
Principal Islamic Malaysia	- Principal Islamic Asset Management Sdn Bhd
Principal Malaysia or the Manager	- Principal Asset Management Berhad.
Prospectus	- Refers to this document issued by us describing the details of the Fund and includes any supplemental prospectus or replacement prospectus, as the case may be.
RSP	- Regular Savings Plan.
SAC	- Shariah Advisory Council.
SC	- Securities Commission Malaysia.
SGD	- Singapore Dollar.
Shariah	- Islamic law comprising the whole body of rulings pertaining to human conducts derived from sources of the Shariah namely the <i>Qur'an</i> (the holy book of Islam) and <i>Sunnah</i> (practices and explanations rendered by the Prophet Muhammad ( <i>pbuh</i> )) and other sources of Shariah such as <i>Ijtihad</i> (intellectual reasoning) of Shariah scholars.
Shariah Adviser or BIMB Securities	- BIMB Securities Sdn Bhd.
Shariah requirements	- The rulings, guidelines and resolutions made by the SAC of the SC or the advice given by the Shariah Adviser.
Special Resolution	- A resolution passed by a majority of not less than three-fourth (3/4) of the Unit holders of the Fund or a Class, as the case may be, voting at a meeting of Unit holders (whether in person or by proxy). For the purpose of terminating or winding up the Fund or a Class, a Special Resolution is passed by a majority in number representing at least three-fourth (3/4) of the value of the units held by the Unit holders of the Fund or a Class, as the case may be, voting at the meeting of Unit holders (whether in person or by proxy).
Sub-Manager	- A fund management company/asset management company that assumes all/or part of the investment function role of the Manager. Currently, the Sub-Manager for the Fund is Principal Islamic Asset Management Sdn Bhd.
Sukuk	- Refers to certificates of equal value which evidence undivided ownership or investment in the assets using Shariah principles and concepts endorsed by the SAC of the SC and/or the Shariah advisers.
Switching Fee	- A charge that may be levied when switching is done from one (1) fund or class to another.
Transfer Fee	- A nominal fee levied for each transfer of units from one (1) Unit holder to another.
Trustee	- HSBC (Malaysia) Trustee Berhad.
Trustee Fee	- A percentage of the NAV of the Fund that is paid to the Trustee for its services rendered as trustee for the Fund.
UK	- United Kingdom.
Unit holder	- The registered holder for the time being of a unit of the Fund including persons jointly registered.
USA	- United States of America.
USD	- United States Dollar.
Withdrawal Penalty	- A penalty levied upon withdrawal under certain terms and conditions (if applicable).

*Note:*

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

# CORPORATE DIRECTORY

## The Manager

Principal Asset Management Berhad

### Business/Registered address

Level 32, Exchange 106, Lingkaran TRX  
55188 Tun Razak Exchange  
Kuala Lumpur, MALAYSIA  
Tel : (603) 8680 8000

### Customer Care Centre

Level 31, Exchange 106, Lingkaran TRX  
55188 Tun Razak Exchange  
Kuala Lumpur, MALAYSIA  
Tel : (603) 7723 7260  
WhatsApp : (6016) 299 9792

### Website

[www.principal.com.my](http://www.principal.com.my)

### E-mail

[myservice@principal.com](mailto:myservice@principal.com)

## The Trustee

HSBC (Malaysia) Trustee Berhad

### Business/Registered address

Level 19, Menara IQ, Lingkaran TRX  
55188 Tun Razak Exchange  
Kuala Lumpur, MALAYSIA  
Tel : (603) 2075 7800  
Fax : (603) 8894 2611

### Website

[www.hsbc.com.my](http://www.hsbc.com.my)

### Email

[fs.client.services.myh@hsbc.com.my](mailto:fs.client.services.myh@hsbc.com.my)

## Shariah Adviser

BIMB Securities Sdn Bhd

### Registered address

32<sup>nd</sup> Floor, Menara Bank Islam  
No. 22 Jalan Perak  
50450 Kuala Lumpur

### Business address

Level 34, Menara Bank Islam  
No. 22 Jalan Perak  
50450 Kuala Lumpur  
Tel : (03) 2708 3000

### Website

[www.bimbsec.com.my](http://www.bimbsec.com.my)

### Email

[shariah.bimbsec@bankislam.com.my](mailto:shariah.bimbsec@bankislam.com.my)

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

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# 1. FUND INFORMATION

## 1.1. SIGNATURE DYNAMIC INCOME FOCUS-*i* FUND

Fund Category/Type	: Mixed asset (Shariah-compliant) / Income.
Fund Objective	: The Fund aims to provide regular income. <i>We will require your approval if there is any material change to the Fund's objective.</i>
Benchmark	: 80% Dow Jones Sukuk Total Return Index + 20% MSCI ACWI Islamic Index <b>Note: The Fund's benchmark is for performance comparison purpose only. You should note that the risk profile of the Fund is not the same as the risk profile of the benchmark.</b> <i>Information on the Dow Jones Sukuk Total Return Index can be obtained from Bloomberg.</i> <i>Information on the MSCI ACWI Islamic Index can be obtained from Lipper/Bloomberg.</i>
Distribution Policy	: The distribution policy of each of the Classes may differ. Please refer to the Annexure of the respective Class for more information. You may also refer to page 21 for information on the distribution payment.

### Base Currency & Classes

The base currency of the Fund is USD.

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

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

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 and a supplemental or replacement prospectus will be issued. This information will be communicated to you via our website at [www.principal.com.my](http://www.principal.com.my). When in doubt, you should consult professional advisers for a better understanding of the multi-class structure before investing in the Fund.

Name of Class	Launch Date	Initial offer period	Initial offer price
Class MYR	XX June 2026	Up to 21 days	MYR 1.0000
Class MYR-Hedged	XX June 2026	Up to 21 days	MYR 1.0000
Class USD	XX June 2026	Up to 21 days	USD 1.0000
Class SGD-Hedged	XX June 2026	Up to 21 days	SGD 1.0000
Class AUD-Hedged	XX June 2026	Up to 21 days	AUD 1.0000

*Note: The initial offer period may be shortened at our discretion if we are of the view that it is in the Unit holders' best interest to commence the fund. For latest update, please refer to our website at [www.principal.com.my](http://www.principal.com.my).*

### Investment Policy and Strategy

The Fund seeks to achieve its investment objective by investing in a globally diversified portfolio comprising various asset classes, consisting of Sukuk, Shariah-compliant equities, Shariah-compliant equity-related securities and Islamic liquid assets. **Asset allocation decisions are guided by prevailing market conditions and the Manager's assessments.** Generally, the Fund may also seek investment exposure via Islamic CIS that is in line with the Fund's objective, subject to the requirements of the GUTF.

The Fund's investment in Sukuk and Islamic money market instruments will generally be limited to Sukuk and Islamic money market instruments rated at least a minimum long-term credit rating of "BBB-" by international rating agencies, and/or at least "A3" by recognised local rating agency(ies) and at least a minimum short-term credit rating of "P-2" by international rating agencies, and/or at least "P2" by recognised local rating agency(ies). The minimum rating also applies to the issuer of Sukuk and Islamic money market instruments. However, the Fund may allocate up to 30% of the total Islamic fixed income allocation to non-investment grade and/or unrated Sukuk and Islamic money market instruments, which will be assessed based on the internal ratings of the Manager.

The asset allocation strategy for this Fund is as follows:

- Between 75% to 90% of the Fund's NAV in Sukuk;
- Up to 25% of the Fund's NAV in Shariah-compliant equities and Shariah-compliant equity-related securities; and
- Remaining Fund's NAV in Islamic liquid assets i.e., Islamic money market instruments and Islamic Deposits for liquidity management purpose.

We have appointed Principal Islamic Asset Management Sdn Bhd as the Sub-Manager of the Fund. The Sub-Manager will be responsible for investing and managing the Fund's Islamic fixed income allocation in accordance with the Fund's objective and investment restrictions. Principal Malaysia will continue to be responsible for the investments of the Fund.

The Sub-Manager will adopt a dynamic asset allocation strategy with a clear income-generating approach, while retaining the flexibility to adjust exposures between different asset classes in response to prevailing market conditions. The Fund will be constructed and managed using a systematic dynamic asset allocation approach that seeks to balance opportunities for return with prudent risk management across market cycles. Investors should expect the Fund to maintain a predominantly fixed income-oriented risk profile, with a more limited allocation to higher volatility growth assets.

The Fund may take temporary defensive positions during adverse market conditions such as excessive volatility in the market or prolonged declines by gradually reducing its allocation in higher risk assets, such as Shariah-compliant equities and increase its allocation in lower risk assets such as Islamic Deposits to safeguard the Fund. When deemed necessary, we may also utilise Islamic derivative instruments for hedging purposes. In the event of a downgrade of a counter-party of an OTC Islamic derivative below the minimum long-term rating as per the GUTF, we will evaluate the situation and reassess the creditworthiness of the counterparty. We will take the necessary steps and reserve the right to deal with the OTC Islamic derivative in the best interest of the Unit holders.

Further, risk management with an emphasis on portfolio diversification will form an integral part of the investment process. The Fund is constructed and managed within pre-determined guidelines including risk returns trade-off, which will be monitored and reviewed regularly by the investment management team. The risk management strategies and techniques employed include diversification of the Fund's asset allocation in terms of its exposure to various sectors, industries and companies.

The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk.

The liquidity risk management that we have put in place is as follows:

- Regular review by the designated fund manager on the Fund's investment portfolio to maintain healthy liquidity level.
- Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of Unit holders. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet Unit holders' withdrawal requests.
- If needed, the Fund may obtain Islamic financing for the purpose of meeting withdrawal requests and for short-term bridging requirements.
- Suspension of withdrawal requests due to exceptional circumstances. During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. The action to suspend withdrawal requests from Unit holders shall be exercised only as a last resort by the Manager.

*Note: Please refer to Section 3.11 for more information.*

## 1.2. PERMITTED INVESTMENTS

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

- Sukuk, Shariah-compliant equities and Shariah-compliant equity-related securities traded in or under the rules of an Eligible Market;
- Unlisted Sukuk, Shariah-compliant equities and Shariah-compliant equity-related securities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority or government;
- Islamic Deposits and Islamic money market instruments;
- All types of Islamic CIS that is in line with the Fund's objective; and
- Islamic derivative instruments, including but not limited to Islamic options, Islamic futures contracts, Islamic forward contracts and Islamic swaps for the purpose of hedging.

The formulation of the investment policies and strategies of the Fund is based on the objective of the Fund after taking into consideration the regulatory requirements outlined in the GUTF, with such exemptions or variations (if any) as permitted by the SC.

### 1.3. INVESTMENT RESTRICTIONS AND LIMITS

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

#### Exposure limits

- The aggregate value of the Fund's investments in:
  - (a) Shariah-compliant transferable securities that are not traded or dealt in or under the rules of an Eligible Market; and
  - (b) Islamic CIS that do not comply with paragraphs (8)(a), (b) and (c) under Investment Spread Limits below,must not exceed 15% of the Fund's NAV, subject to a maximum limit of 10% of the Fund's NAV in a single issuer or single Islamic CIS, as the case may be.

#### Investment spread limits

- The value of the Fund's investments in Shariah-compliant ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV.
- The value of the Fund's investments in Shariah-compliant transferable securities and Islamic money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV ("single issuer limit"). In determining the single issuer limit, the value of the Fund's investments in instruments in paragraph (1) above issued by the same issuer must be included in the calculation.
- The aggregate value of the Fund's investments in, or exposure to, a single issuer through Shariah-compliant transferable securities, Islamic money market instruments, Islamic Deposits, underlying assets of Islamic derivatives and counterparty exposure arising from the use of OTC Islamic derivatives must not exceed 25% of the Fund's NAV ("single issuer aggregate limit"). In determining the single issuer aggregate limit, the value of the Fund's investments in instruments in paragraph (1) above issued by the same issuer must be included in the calculation.
- The value of the Fund's investments in Shariah-compliant transferable securities and Islamic money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV ("group limit"). In determining the group limit, the value of the Fund's investments in instruments in paragraph (1) above issued by the issuers within the same group of companies must be included in the calculation.
- Where the Sukuk or Islamic money market instruments are issued, or the issue is guaranteed by, either a foreign government, foreign government agency, foreign central bank or supranational, that has a minimum short-term or long-term credit rating of investment grade (including gradation and subcategories) by an international rating agency, the fund manager may apply the limits in paragraphs (10) and (11).
- The value of the Fund's placement in Islamic Deposits with any single financial institution must not exceed 20% of the Fund's NAV.
- The value of the Fund's investments in units/shares of an Islamic CIS must not exceed 20% of the Fund's NAV, provided that the Islamic CIS complies with the following conditions:
  - (a) It is an Islamic CIS authorised or recognised by the SC; or
  - (b) It is an Islamic CIS that meets the following criteria:
    - (i) The Islamic CIS is constituted and regulated in a jurisdiction where the laws and practices provide the level of investor protection that is at least equivalent to that offered in Malaysia;
    - (ii) The rules on investments, borrowing and lending are substantially similar to the requirements in the GUTF. This would exclude hedge funds;
    - (iii) The assets of the Islamic CIS are managed by an entity which is approved, authorised or licensed by a securities regulator to conduct fund management activities; and
    - (iv) The business of the Islamic CIS is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period; or
  - (c) It is an Islamic CIS that meets the following criteria:
    - (i) The Islamic CIS invests in permitted investments that comply with the GUTF;
    - (ii) The Islamic CIS meets the following criteria imposed on Shariah-compliant transferable securities (Sukuk):
      - the maximum potential loss which the Fund may incur as a result of the investment is limited to the amount paid for it;
      - the investment is liquid, and will not impair the Fund's ability to satisfy its redemption and other payment commitments;
      - the investment is subject to reliable and verifiable valuation on a daily basis; and
      - there is appropriate information available to the market on the investment;
    - (iii) The units or shares in the Islamic CIS are listed for quotation and traded on a stock exchange that is an Eligible Market; and
    - (iv) The Islamic CIS is not an inverse or leveraged product; or
  - (d) The Islamic CIS does not comply with paragraphs 8(a), (b) or (c), but subject to the exposure limit stipulated in the GUTF.

#### Exceptions to investment spread limits

##### Islamic Deposits

- The single financial institution limit in paragraph (7) above does not apply to placements of Islamic Deposits arising from:

- (a) Subscription monies received prior to the commencement of investment by the Fund;
- (b) Liquidation of investments prior to the termination of the Fund, where the placement of Islamic Deposits with various financial institutions would not be in the best interests of Unit holders; or
- (c) Monies held for the settlement of redemption or other payment obligations, where the placement of Islamic Deposits with various financial institutions would not be in the best interests of Unit holders.

#### Government and other public Shariah-compliant securities or Islamic money market instruments

- The single issuer limit in paragraph (3) above may be raised to 35% of the Fund's NAV if the issuing entity is, or the issue is guaranteed by, either a foreign government, foreign government agency, foreign central bank or supranational, that has a minimum long-term credit rating of investment grade (including gradation and subcategories) by an international rating agency.
- Where the single issuer limit is increased to 35% of the Fund's NAV, the single issuer aggregate limit in paragraph (4) above may be raised, subject to the group limit in paragraph (5) above not exceeding 35% of the Fund's NAV.

#### Investment concentration limits

- The Fund's investments in Shariah-compliant shares or Shariah-compliant securities equivalent to shares must not exceed 10% of the Shariah-compliant shares or Shariah-compliant securities equivalent to shares, as the case may be, issued by a single issuer.
- The Fund's investments in Sukuk must not exceed 20% of the Sukuk issued by a single issuer. This limit may be disregarded at the time of acquisition if at that time of acquisition the gross amount of Sukuk in issue cannot be determined.
- The Fund's investments in Islamic money market instruments must not exceed 10% of the instruments issued by any single issuer. This limit does not apply to Islamic money market instruments that do not have a pre-determined issue size.
- The Fund's investments in Islamic CIS must not exceed 25% of the units/shares in the Islamic CIS.
- For investment in Islamic derivatives (for hedging purpose):
  - the Fund's global exposure from Islamic derivatives position should not exceed the Fund's NAV;
  - the exposure of the underlying assets must not exceed the investment spread limits stipulated in the GUTF;
  - the maximum exposure of the Fund's OTC Islamic derivative transaction with the counterparty calculated based on the method below must not exceed 10% of the Fund's NAV;
  - the counterparty of an OTC Islamic derivative is a financial institution with a minimum long-term credit rating of investment grade (including gradation and subcategories); and
  - where the underlying instrument of an Islamic derivative is a commodity, such Islamic derivative must be settled in cash at all times.

#### Calculation of exposure to counterparty of OTC Islamic derivatives

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

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

#### Commitment approach

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

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

#### Netting arrangements

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

The Fund may net positions between:

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

#### Hedging arrangements

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

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

The hedging arrangement must:

- (a) not be aimed at generating a return;

- (b) result in an overall verifiable reduction of the risk of the Fund;
- (c) offset the general and specific risks linked to the underlying constituent being hedged;
- (d) relate to the same asset class being hedged; and
- (e) be able to meet its hedging objective in all market conditions.

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

#### 1.4. APPROVALS AND CONDITIONS

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

#### 1.5. FINANCING

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

#### 1.6. SECURITIES LENDING

Not applicable to the Fund.

#### 1.7. SHARIAH INVESTMENT GUIDELINES

The following guidelines are adopted by the Shariah Adviser in determining the Shariah status of investments of the Fund:

##### 1.7.1. Shariah Requirements for Investments and Operations of the Fund

- The Fund must at all times and all stages of its operation comply with Shariah requirements as resolved by the SAC of the SC or in cases where no specific rulings are made by the SAC of the SC, the decisions of the Shariah Adviser or the Shariah authorities of the relevant Islamic indices.
- The Fund must be established and operated by the Manager, and finally redeemed by the investors on the basis of contracts which are acceptable in Shariah. The banking facilities and short-term money market instruments used for the Fund have to be Shariah-compliant. Similarly, all the other investment instruments must be Shariah-compliant.
- For Shariah-compliant securities and Shariah-compliant equity-related securities listed on Bursa Malaysia, the Fund's investments must be strictly confined to those Shariah-compliant securities on the list of Shariah-compliant securities by the SAC of the SC.
- For initial public offering, the Fund shall invest in securities that are classified as Shariah-compliant by the SAC of the SC.
- For Islamic money market instruments, Sukuk and Islamic deposits, they shall be based on the data readily available on BNM, the SC and the financial institutions' websites respectively.
- For investment in foreign Shariah-compliant securities and Shariah-compliant equity-related securities, the Fund are only allowed to invest in Shariah-compliant securities which are on the approved lists by the Shariah Adviser. In the event of reclassification of foreign Shariah-compliant securities to be Shariah non-compliant, the Fund are to abide by the rules as laid down by the SAC of the SC and by this Shariah Investment Guidelines. In the event that the Fund wish to invest in foreign Shariah-compliant securities not covered by the approved lists by the Shariah Adviser, the Manager **must submit to the Shariah Adviser the latest information pertaining to the issuer's business activities, its complete financial statements and other related information** to enable the Shariah Adviser to carry out Shariah screening. The Shariah Adviser applies the screening methodology of the SAC of the SC in its Shariah screening.
- For investments in domestic Islamic CIS, they must be approved by the SC. As for foreign Islamic CIS, the Manager must submit to the Shariah Adviser all pertinent information including the prospectuses, its structures, investment avenues, Shariah investment guidelines, Shariah contracts and Shariah pronouncements by the relevant Shariah advisers advising the Islamic CIS, for the Shariah Adviser to confirm the Shariah status of the said Islamic CIS.
- As for investment in foreign Sukuk or any foreign investment instruments, the Manager must submit to the Shariah Adviser all pertinent information including the memoranda and prospectuses, its structures, utilisation of the proceeds, Shariah contracts and Shariah pronouncements by the relevant Shariah advisers advising the Sukuk issuance or instruments, for the Shariah Adviser to confirm the Shariah status of the Sukuk or instruments.

- The Fund may only use derivatives for hedging purposes. Such derivatives must be Islamic derivatives. However, if Islamic derivatives are not available or are not commercially viable, the Manager may use conventional derivatives subject to prior approval from the Shariah Adviser being obtained.
- The decision of the Shariah Adviser shall be final.
- To facilitate the purchase and sale of foreign Shariah-compliant securities and Shariah-compliant investment instruments, there may be a need to have cash placement in a conventional bank account outside Malaysia. In such circumstances, the conventional account should be non-interest bearing and the sole purpose is only to facilitate purchase and sale of foreign Shariah-compliant securities and Shariah-compliant investment instruments. In the event that such a non-interest bearing account is unavailable, all interests earned shall be cleansed and that shall be undertaken annually if not earlier.

#### 1.7.2. Cleansing Process for the Fund

##### (a) Wrong investment

###### (i) Investment in Shariah non-compliant equity securities and Shariah non-compliant equity-related securities

This refers to Shariah non-compliant investment made by the Manager. The said investment shall be disposed of or withdrawn with immediate effect, if possible, or otherwise within three (3) calendar month of knowing the status of the investment. In the event that the investment resulted in Shariah non-compliant income received before or after the disposal or withdrawal of the investment, it has to be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser. The Fund has a right to retain only the investment cost. The Shariah Adviser advises that this cleansing process (namely, channelling of income from wrongful investment to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser) shall be carried out within three (3) calendar month upon the confirmation by the Shariah Adviser. If the disposal or withdrawal of the investment resulted in losses to the Fund, the losses are to be borne by the Manager.

###### (ii) Investment in other Shariah non-compliant instruments (namely, fixed income instruments, money market instruments, deposits or CIS)

The said investment shall be disposed of or withdrawn with immediate effect, if possible, or otherwise within three (3) calendar month of knowing the status of the investment. In the event that the investment resulted in Shariah non-compliant income received before or after the disposal or withdrawal of the investment, it has to be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser. The Fund has a right to retain only the investment cost. The Shariah Adviser advises that this cleansing process (namely, channelling of income from wrongful investment to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser) shall be carried out within three (3) calendar month upon the confirmation by the Shariah Adviser. If the disposal or withdrawal of the investment resulted in losses to the Fund, the losses are to be borne by the Manager.

##### (b) Reclassification of Shariah Status of the Fund's Investments

###### (i) Shariah-compliant equity securities and Shariah-compliant equity-related securities

Reclassification of Shariah status refers to securities which were earlier classified as Shariah-compliant securities but due to failure to meet the set benchmark criteria, are subsequently reclassified as Shariah non-compliant by the SAC of the SC, the Shariah Adviser or the Shariah authorities of the relevant Islamic indices. If on the reclassification effective date, the market price of the securities held exceeds or is equal to the investment cost, the Fund which holds such Shariah non-compliant securities must liquidate them. To determine the time frame to liquidate such securities, the Shariah Adviser advises that such securities should be disposed of or withdrawn within three (3) calendar month of reclassification.

Any dividends received up to the reclassification effective date and capital gains arising from the disposal or withdrawal of the said reclassified Shariah non-compliant securities made with respect to the closing price on the reclassification effective date can be kept by the Fund. However, any dividends received, and excess capital gains derived from the disposal or withdrawal after the reclassification effective date at a market price that is higher than the closing price on the reclassification effective date shall be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser. The Shariah Adviser advises that this cleansing process should be carried out within three (3) calendar month upon confirmation by the Shariah Adviser.

The Fund is allowed to hold the Shariah non-compliant securities if the market price of the said securities is below the investment cost. It is also permissible for the Fund to keep the dividends received during the holding period until such time when the total amount of the dividends received and the market value of the Shariah non-compliant securities held equal the investment cost. At this stage, the Fund is advised to dispose or withdraw their holdings. In addition, during the holding period, the Fund is allowed to subscribe to:

- any issue of new securities by a company whose Shariah non-compliant securities are held by the Fund such as rights issues, bonus issues, special issues and warrants [excluding securities whose nature is Shariah non-compliant such as irredeemable convertible unsecured loan stock (ICULS)]; and

- securities of other companies offered by the company whose Shariah non-compliant securities are held by the Fund,

on conditions that the Fund expedites the disposal or withdrawal of the Shariah non-compliant securities. For securities of other companies [as stated in the second bullet above], they must be Shariah-compliant securities.

(ii) Sukuk, Islamic money market instruments, Islamic deposits or Islamic CIS

This refers to the instruments which were earlier classified as Sukuk, Islamic money market instruments, Islamic deposits or Islamic CIS but due to certain factors such as changes in the issuers' business direction and policy or failure to carry out proper Shariah contracts' transactions, which render the instruments Shariah non-compliant by the relevant authority or the Shariah Adviser. If this occurs, the Manager will take the necessary steps to dispose of or withdraw such fixed income instruments, money market instruments, deposits or CIS.

If on the reclassification effective date, the value of the Shariah non-compliant instruments held exceeds or is equal to the investment cost, the Fund which holds such Shariah non-compliant instruments must liquidate them. To determine the time frame to liquidate such instruments, the Shariah Adviser advises that such reclassified Shariah non-compliant instruments should be disposed of or withdrawn within three (3) calendar month of reclassification.

Any income received up to the reclassification effective date and capital gains arising from the disposal or withdrawal of the said reclassified Shariah non-compliant instruments made on the reclassification effective date can be kept by the Fund.

However, any income received, and excess capital gain derived from the disposal or withdrawal after the reclassification effective date at a price that is higher than the price on the reclassification effective date shall be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser. The Shariah Adviser advises that this cleansing process should be carried out within three (3) calendar month upon the confirmation by the Shariah Adviser.

The Fund is allowed to hold the Shariah non-compliant instruments if the market price of the said instruments is below the investment cost. It is also permissible for the Fund to keep the income received during the holding period until such time when the total amount of the income received, and the market value of the Shariah non-compliant instruments held equal the investment cost. At this stage, the Fund is advised to dispose of or withdraw their holdings. In addition, during the holding period, the Fund is allowed to subscribe to:

- any issue of new Shariah-compliant instruments by the issuer of the Shariah non-compliant instruments are held by the Fund; and
- Shariah-compliant instruments of other issuer offered by the issuer of the Shariah non-compliant instruments are held by the Fund,

on conditions that the Fund expedites the disposal or withdrawal of the Shariah non-compliant instruments.

### 1.7.3. Maqasid Al-Shariah Aspirations and Principles

The Fund is designed in accordance with the following Aspirations and guiding Principles as outlined in the Maqasid Al-Shariah Guidance issued by the SC:

- (a) Aspiration 3: Clarity and Transparency  
Principle 8: Enhancing Disclosure and Documentation

The Fund ensures quality disclosure and documentation of information by providing comprehensive and accurate details regarding its investments in this prospectus as well as the performance of the Fund through the periodic Fund's reports. Through these channels, Unit Holders are able to access insights into the Fund's performance, enabling them to make informed decisions. This commitment to transparency also ensures a clear understanding of the Fund's trajectory and potential opportunities.

- (b) Aspiration 5: Fiduciary and Accountability  
Principle 11: Upholding Fiduciary Duty with Utmost Good Faith

The Manager shall exercise the degree of care and diligence in managing the Fund and effectively employ the resources to ensure that the Fund complies with the relevant SC rules and regulations including the Shariah requirements. With regard to the investments of the Fund, the Manager has a duty to carefully select and assess the Shariah-compliant investment instruments, conduct thorough due diligence particularly prior to the investment and monitor the performance of investments at all times to safeguard the interests of the Unit Holders.

- (c) Aspiration 6: Accessibility and Inclusivity  
Principle 13: Broadening the Circulation of Wealth and Participation

The Fund adopts a globally diversified mixed asset strategy with a predominant allocation to Sukuk to provide stable and regular income. The inclusion of Shariah-compliant equities and equity-related securities offers growth opportunities, while Islamic liquid assets support effective liquidity management. Diversification within these asset classes helps optimise returns while minimising risk, contributing to the broader circulation of wealth. By investing in a diverse range of companies, the Fund supports greater participation within the Islamic capital market, enabling a wider base of investors to benefit from economic growth. This strategy promotes inclusivity by providing capital access to businesses with growth potential while also maintaining exposure to established firms. Ultimately, the Fund contributes to a more equitable financial ecosystem, fostering sustainable wealth distribution and long-term market stability.

#### 1.7.4. Payment of Zakat

This refers to the purification by way of payment of zakat by Muslims. The Fund does not pay zakat on behalf of Muslim Unit holders and Islamic legal entities. Thus, Unit holders are advised to pay zakat on their own.

#### 1.7.5. Periodic review

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

#### 1.7.6. **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 in this Prospectus are acceptable and within the principles of Shariah, subject to proper execution of the legal documents and other transactions related to the Fund.

The investment portfolio of the Fund comprises instruments which have been classified as Shariah-compliant by the SAC of the SC and, where applicable the SAC of BNM or the Shariah authorities of the relevant Islamic indices. For instruments that are not classified as Shariah-compliant by the SAC of the SC and, where applicable the SAC of BNM or the Shariah authorities of the relevant Islamic indices, the status of the instruments 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 THE FUND

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

#### Returns and capital not guaranteed

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

#### Market risk

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

#### 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.

#### Financing risk

This risk occurs when you obtain financing to finance your investment. The inherent risk of investing with money obtained from financing includes you being unable to service the financing payments. In the event units are used as collateral and if the prices of units fall below a certain level due to market conditions, you may be required to pay additional amount on top of your existing instalment. If you fail to do so within the time prescribed, your units may be sold at an unfavorable price and the proceeds thereof will be used towards the settlement of your financing. Investors who intend to finance an investment in Islamic unit trust fund, or for that matter any Shariah-compliant investment, are advised to seek for Islamic financing to finance their investment.

Please note that financing is not encouraged. The Manager does not provide financing for the purchase of units of the Fund.

#### 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 laws or guidelines due to factors such as human error or weaknesses in operational processes and systems, may adversely affect the performance of the Fund.

#### Liquidity risk

Liquidity risk refers to the ease of liquidating an asset without causing market dislocation. This depends on the supply and demand **as well as the asset's volume or amount traded in the market.** If the Fund holds assets that are illiquid or difficult to dispose of, the value of the Fund and consequently the value of Unit holders' investment in the Fund may be negatively affected when the Fund has to sell such assets at unfavorable prices.

#### Shariah non-compliance risk

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

Please refer to "Shariah Investment Guidelines" section for further details.

### 1.8.2. SPECIFIC RISKS RELATED TO THE FUND

#### Stock specific risk

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

#### Currency risk

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

##### Currency risk at the Fund's portfolio level

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

As currency risk is considered one of the major risks due to the volatile nature of the foreign exchange market, when deemed necessary, Islamic derivative instruments may be used to hedge the risk. If the Fund utilises Islamic derivative instrument for hedging against the base currency of the Fund, you should note that as a result of hedging, the Fund will not be able to enjoy the full benefits in the event of a favorable currency movement.

##### Currency risk at the Class level

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

As for a hedged Class, the hedged Class itself provides mitigation to the currency risk arising from the difference between the currency denomination of the Class and the base currency of the Fund. While we aim to fully hedge the currency risk for a hedged Class, you should note that it may not entirely eliminate currency risk. In addition, you should note that, as a result of hedging, a hedged Class will not be able to enjoy the full benefits of the currency movement in the event of a favourable movement of the currency denomination of the hedged Class against the base currency of the Fund. You should also note that hedging incurs costs, in which will impact the NAV of a hedged Class.

#### Country risk

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

#### 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, or Islamic Deposits. Credit risk relates to the creditworthiness of an issuer or counterparty and its expected ability to make timely payment of profit and/or principal. Any adverse situations faced by the issuers or counterparties may impact the value as well as liquidity of the investments. In the case of rated Sukuk or Islamic money market instruments, this may lead to a credit downgrade.

Default risk relates to the risk that an issuer or counterparty either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the investments. You should also be aware that investments in non-investment grade Sukuk and Islamic money market instruments generally have higher credit and default risk as compared to investments in investment grade Sukuk and Islamic money market instruments. Any credit or default event 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 the issuers or counterparties, and impose investment limits on exposures to issuers or counterparties with different credit profiles as a precautionary measure to limit any loss that may arise directly or indirectly as a result of a defaulted exposure.

#### Interest rate risk

Interest rate risk refers to the impact of interest rate changes on the valuation of Sukuk and Islamic money market instruments. When interest rates rise, Sukuk and Islamic money market instruments prices generally decline and this may lower the market value of the Fund's investment in Sukuk and Islamic money market instruments. In managing the Sukuk, 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 tenure of these instruments is up to 12-month maturity and unlike Sukuk with longer tenure, any change to interest rate will only have a minor impact to the prices of these instruments.

For Islamic Deposits placement, when interest rates rise, there could be opportunity loss for the Fund to earn higher interest rate. On the other hand, when interest rates fall, Islamic Deposits may be reinvested at lower interest rates which in turn will reduce the potential returns of the Fund.

Please note that the interest rate referred herein is a general economic indicator that may impact the value of the Fund's investments. This does not indicate that the Fund will invest into conventional financial instruments. All Islamic funds are invested into instruments that conform with Shariah principles.

#### Risk associated with investing in Islamic CIS

For any investments into Islamic CIS, the Islamic CIS's management company has absolute discretion over the Islamic CIS's investment technique and knowledge, operational controls and management. In the event of mismanagement of the Islamic CIS, this may negatively impact the value of the Islamic CIS, and consequently the value of the Fund. Should the situation arise, we will seek for another Islamic CIS that is consistent with the objective of this Fund.

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

## 2. FEES, CHARGES AND EXPENSES

### 2.1. CHARGES

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

#### 2.1.1. Application Fee

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

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

	Class ABC (Denominated in USD)	Class XYZ (Denominated in MYR)
Investment amount	USD 10,000	MYR 10,000
NAV per unit	USD 1.0000	MYR 1.0000
Application Fee (NAV per unit)	3.00%	3.00%
Units issued to Unit holder = $\frac{\text{Investment amount}}{\text{NAV per unit}}$	= $\frac{\text{USD } 10,000.00}{\text{USD } 1.0000}$ = 10,000 units	= $\frac{\text{MYR } 10,000.00}{\text{MYR } 1.0000}$ = 10,000 units
Total Application Fee = Units issued to Unit holder x NAV per unit x Application Fee (%)	= 10,000 units x USD 1.0000 x 3% = USD 300.00	= 10,000 units x MYR 1.0000 x 3% = MYR 300.00

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

#### 2.1.2. Withdrawal Penalty

Nil.

#### 2.1.3. Switching Fee

Switching is treated as a withdrawal from a Class/Fund and an investment into another Class or Principal Malaysia's fund (or its classes). You may be charged a Switching Fee equal to the difference (if any) between the Application Fee of the Class/Fund and the Application Fee of the other Class or Principal Malaysia's fund (or its classes) to be switched into. You will not be charged a Switching Fee, if the Class or Principal Malaysia's fund (or its classes) to be switched into has a lower Application Fee than the Application Fee of the Class. In addition to the Switching Fee, you may be charged an administrative fee for every switch. Please refer to the Annexure of the respective Class for further information.

#### 2.1.4. Transfer Fee

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

### 2.2. FEES AND EXPENSES

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

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

#### 2.2.1. Management Fee

The Management Fee is charged to the respective Class, 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 the Management Fee of 1.20% per annum and the NAV of USD 150 million each for both Class ABC and Class XYZ:-*

	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in MYR) (USD)
Management Fee	1.20% per annum	1.20% per annum
NAV of the Class	USD 150 million	USD 150 million
Management Fee for the day = NAV of the Class x Management Fee rate for the Class (%) /365 days	= USD 150 million x 1.20% / 365 days = USD 4,931.50	= USD 150 million x 1.20% / 365 days = USD 4,931.50

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

#### 2.2.2. Trustee Fee

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

The Trustee Fee is 0.045% per annum, calculated daily based on the NAV of the Fund.

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

$$\begin{aligned}
 \text{Trustee Fee for the day} &= \text{NAV of the Fund} \times \text{Trustee Fee rate for the Fund (\%)} / 365 \text{ days} \\
 &= \text{USD 150 million} \times 0.045\% / 365 \text{ days} \\
 &= \text{USD 184.93}
 \end{aligned}$$

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

#### 2.2.3. Other Expenses

The Deed also provides for payment of other expenses. The major expenses recoverable directly from the Fund includes but is not limited to the following:

- expenses incurred in the sale, purchase, takaful, custody and any other dealings of investments including commissions/fees paid to brokers and costs involved with external specialists approved by the Trustee in investigating and evaluating any proposed investment;
- (where the foreign custodial function is delegated by the Trustee), charges/fees paid to the sub-custodian;
- expenses incurred in the printing of, the purchasing of stationery and postage for the annual and interim reports;
- remuneration and out of pocket expenses of the person(s) or member(s) of a committee undertaking the oversight functions of the Fund and/or the members of the Shariah committee or advisers of the Fund, unless we decide to bear the same;
- tax and other duties charged on the Fund by the government and other authorities (if any) and bank fees;
- **tax agent's and auditor's fees and expenses in relation to the Fund;**
- costs, fees and expenses incurred for the fund valuation and accounting of the Fund performed by a fund valuation agent;
- costs incurred in modifying the Deed for your benefit;
- costs incurred for any meeting of Unit holders **other than those convened for our benefit or the Trustee's**;
- costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority, ministry, agency or department;
- costs, fees and expenses incurred in relation to the subscription, renewal and/or licensing of the performance benchmark for the Fund;
- costs, fees and expenses incurred in the engagement and provision of a registrar, administrator and/or transfer agent services including the provision of any electronic or digital invoicing; and
- all costs, bank charges and expenses related to income distribution of the Fund; for example, postage and printing of all cheques, statements and notices to you.

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

2.2.4. We and the Trustee are required to ensure that any fees or charges payable are reasonable and in accordance with the Deed which stipulates the maximum rate in percentage terms that can be charged. All fees and expenses of the Fund will generally be apportioned to each Class currently available for sale based on the MCR except for Management Fee and those expenses that are related to the specific Class only, such as, the costs of Unit holders' meeting held in relation to the respective Class. If in doubt, you should consult professional advisers for a better understanding.

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

We may for any reason and at any time, waive or reduce: (a) any fees (except for the Trustee Fee); (b) other charges payable by you to the Fund or Class; and/or (c) transactional details including but not limited to the units or amount, for any Unit holder. Any waiver or reduction in Management Fee as may be agreed between us and the Unit holders will be calculated and reimbursed by us from our management fee to the Unit holders accordingly.

### 2.3. REBATES AND SOFT COMMISSIONS

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

We, the Sub-Manager and the Trustee may retain goods and services (soft commissions) provided by any broker or dealer if the following conditions are met:

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

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

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

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

## 3. TRANSACTION INFORMATION

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

We will carry out the valuation of the Fund in a fair manner in accordance with the applicable laws and guidelines. The valuation bases for the investments permitted by the Fund are as below:

- **Listed Shariah-compliant securities**  
The value of any Shariah-compliant securities, which are quoted on an exchange, shall be calculated daily by reference to the last exchange closing prices. If the last transacted price does not represent the fair value of the Shariah-compliant securities, then the Shariah-compliant securities should be valued at fair price as determined in good faith by us, based on the methods or bases approved by the Trustee after appropriate technical consultation, such as the mean of bid and offer prices at the close of trading. Suspended Shariah-compliant securities will be valued at their last done price unless there is conclusive evidence to show that the value has gone below the suspended price or where the quotation of the Shariah-compliant securities has been suspended for a period exceeding fourteen (14) days or such shorter period as agreed by the Trustee, then the Shariah-compliant securities should be valued at fair value as determined in good faith by us based on the methods or bases approved by the Trustee after appropriate technical consultation.
- **Unlisted Shariah-compliant equities**  
The valuation of Shariah-compliant equities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing or quotation and are offered directly to the Fund by the issuer shall be valued daily at the issue price of such Shariah-compliant equities. The value will be determined by the issuer that issued the Shariah-compliant equities.
- **Unlisted Sukuk**  
The value of any unlisted MYR-denominated Sukuk shall be calculated on a daily basis using prices quoted by a bond pricing agency (“BPA”) registered with the SC. Where we are of the view that the price quoted by the BPA for a specific unlisted MYR-denominated Sukuk differs from the market price by more than twenty (20) basis points, we may propose a fair value price, provided that we obtain necessary internal approvals to use the non-BPA price and keep an audit trail of the basis for determining the fair value of the investment is approved by the Trustee (after appropriate technical consultation), and is documented.

The value of any unlisted non MYR-denominated Sukuk shall be calculated daily using prices quoted by ICE Data Services, Inc., London Stock Exchange Group Data & Analytics, IHS Markit Ltd or Bloomberg, depending on market and using their proprietary methodology. The Sukuk prices are calculated using prices contributed by financial institutions and other market inputs, including benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data (e.g. corporate action announcements and ratings). Where the prices are not available on any Business Day, these Sukuk will be valued by reference to the average indicative yield quoted by three (3) independent and reputable financial institutions. However, where quotations are still not available, such unlisted non-MYR-denominated Sukuk will be valued daily at a fair price determined in good faith by us, based on the methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

- **Islamic CIS**  
The value of any investment in Islamic CIS which is quoted on an exchange shall be calculated daily in the same manner as other listed Shariah-compliant securities described above. When investing in unlisted Islamic CIS, the value shall be determined by reference to the last published repurchase/redemption net asset value per unit for that Islamic CIS.
- **Islamic money market instruments**  
Investments in Islamic money market instruments such as negotiable certificate of deposits are valued each day by reference to the value of such investments and the profits accrued thereon for the relevant period. Instruments such as MYR-denominated Islamic commercial papers are valued on a daily basis using the prices quoted by a BPA registered with the SC.
- **Islamic Deposits**  
The value of Islamic Deposits shall be determined each day by reference to the principal value of such Islamic Deposits and the accrued profit thereon for the relevant period.
- **Unlisted Islamic derivative instruments**  
For unlisted Islamic derivative instruments, we shall ensure that the valuation of the investment is valued daily at a fair value as determined in good faith by us, on methods and bases which have been verified by the auditor of the Fund and approved by the Trustee.

If the value of the Fund’s assets is denominated in a currency other than USD, the assets are translated on a daily basis to USD based on the bid foreign exchange rate quoted by either Bloomberg or London Stock Exchange Group Data & Analytics at UK time 4:00 p.m. on the same day (Malaysian time 11:00 p.m. or 12:00 a.m.), or such other time as stipulated in the IMS.

### 3.2. UNIT PRICING

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

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

We will carry out the valuation for the Classes for each Business Day on the next Business Day (T+1) by 4:00 p.m. This is to cater for the currency translation of the foreign securities or instruments to the Fund's base currency based on the bid exchange rate quoted by Bloomberg or London Stock Exchange Group Data & Analytics at UK time 4:00 p.m. on the same day (Malaysian time 11:00 p.m. or 12:00 a.m.), or such other time as stipulated in the IMS. The NAV per unit for a Business Day is available on our website at [www.principal.com.my](http://www.principal.com.my) after 5:30 p.m. on the following Business Day (T+1).

*Illustration:*

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

At the end of the Business Day on 6 April 2026, your units will be based on the NAV per unit on 6 April 2026, which will be calculated on 7 April 2026. The NAV per unit will be available on our website after 5:30 p.m. on 7 April 2026.

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

At the end of the Business Day on 6 April 2026, your units will be based on the NAV per unit on 7 April 2026, which will be calculated on 8 April 2026. The NAV per unit will be available on our website after 5:30 p.m. on 8 April 2026.

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

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

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

The valuation of the Fund is in the base currency i.e. USD. As such, all the assets and liabilities of each Class will be translated into USD for valuation purposes. The foreign exchange rate used for this purpose shall be the bid exchange rate quoted by Bloomberg or London Stock Exchange Group Data & Analytics at UK time 4:00 p.m. at the same day (Malaysian time 11:00 p.m. or 12:00 a.m.), or such other time as stipulated in the IMS. The NAV per unit of each Class will be the NAV of the Fund attributable to each Class divided by the number of units in circulation of that Class, at the same valuation point.

#### 3.2.1. Multi-class Ratio (MCR)

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

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

	Fund (USD)	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in MYR) (USD)
NAV of the Fund before income and expenses	185,942,897.00	173,342,897.00	12,600,000.00
% MCR	100.00%	<sup>(1)</sup> 93.22%	<sup>(1)</sup> 6.78%
Add: Income	30,000.00	<sup>(2)</sup> 27,967.12	<sup>(2)</sup> 2,032.88
Less: Expenses	(10,000.00)	<sup>(2)</sup> (9,322.37)	<sup>(2)</sup> (677.63)
Benefits or costs of hedging (if any)	900.00	-	900.00
NAV of the Fund before Management Fee and Trustee Fee	185,963,797.00	173,361,541.75	12,602,255.25
Less: Management Fee	(6,113.88)	1.20% p.a. (5,699.56)	1.20% p.a. (414.32)

		0.045% p.a.	0.045% p.a.
Less: Trustee Fee	(229.27)	(213.73)	(15.54)
NAV of the Fund	185,957,453.85	173,355,628.46	12,601,825.39
Units in circulation	200,000,000 units	170,000,000 units	30,000,000 units
NAV per unit		1.0197	0.4200
Currency exchange rate		N/A	(USD/MYR) 0.3000
NAV per unit		USD 1.0197	MYR 1.4000

	Fund (USD)	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in MYR) (USD)
NAV of the Fund before creation of units for the day	185,957,453.85	173,355,628.46	12,601,825.39
<sup>(2)</sup> Net subscription amount	1,300,000.00	1,000,000.00	300,000.00
Closing NAV	187,257,453.85	174,355,628.46	12,901,825.39
Units in circulation	201,694,966.30 units	170,980,680.59 units	30,714,285.71 units
NAV per unit		1.0197	0.4200
Currency exchange rate		N/A	(USD/MYR) 0.3000
NAV per unit		USD 1.0197	MYR 1.4000

Note :

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

	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in MYR) (USD)
<u>NAV of the Class x 100</u>	<u>173,342,897.00 x 100</u>	<u>12,600,000.00 x 100</u>
NAV of the Fund before income and expenses	185,942,897.00	185,942,897.00
	= 93.22%	= 6.78%

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

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

<sup>(3)</sup> Net subscription amount

	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in MYR) (USD)
Net subscription amount	USD 1,000,000.00	MYR 1,000,000.00

NAV per unit	USD 1.0197	MYR 1.4000
Number of units	980,680.59 units	714,285.71 units
Currency exchange rate	N/A	(USD/MYR) 0.3000
Net subscription amount*	USD 1,000,000	USD 300,000

\* Subscription amount net of any withdrawal amount

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

### 3.2.2. Calculation of investment amount and units entitlement

The calculation below is for illustration only and does not represent the actual percentage or amount that you may incur for 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 XYZ denominated in MYR = MYR1.0000 (truncated to four (4) decimal places)

Application Fee = 3.00%

You wish to invest MYR10,000 in the Fund.

Calculation of number of units that you will receive\*

= Investment amount / NAV per unit of Class XYZ

= MYR10,000.00 / MYR1.0000

= 10,000 units

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

= NAV per unit of Class XYZ x number of units received x Application Fee rate

= MYR1.0000 x 10,000 units x 3.00%

= MYR300.00

Calculation of total amount that you will have to pay

= Investment amount + Application Fee paid

= MYR10,000.00 + MYR300.00

= MYR10,300.00

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

*Calculation of investment value*

Assuming you have 10,000 units of Class XYZ of the Fund and the NAV per unit of Class XYZ for the Business Day is MYR1.0240 (truncated to four (4) decimal places).

Calculation of investment value

= Number of units x NAV per unit of Class XYZ

= 10,000.00 units x MYR1.0240

= MYR10,240.00

*Calculation of withdrawal value and amount payable to you*

Assuming you request for a 10,000 units withdrawal from your investment on the fifth (5<sup>th</sup>) month from the Commencement Date. Your withdrawal request is received by us by 4:00 p.m. on a Business Day. The NAV per unit of Class XYZ for that Business Day (which will be made known on the following Business Day) is MYR 1.0240 (truncated to four (4) decimal places).

Calculation of amount payable to you

= Number of units withdrawn x NAV per unit of Class XYZ

= 10,000 units x MYR1.0240

= MYR10,240.00

### 3.3. INCORRECT PRICING

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

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

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

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

- (i) is equal to or more than 0.50% of the NAV per unit; and
- (ii) results in a total sum of MYR10.00 (or in the case of a foreign currency Class, 10.00 denominated in the foreign currency denomination of the Class) or more to be reimbursed to a Unit holder for each sale or withdrawal transaction.

We shall have the right to amend, vary or revise the abovesaid limits or threshold from time to time, subject to any regulatory or governing body's requirements.

### 3.4. INVESTING

#### 3.4.1. Who can invest?

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

- an individual who is at least eighteen (18) years of age and you are not an undischarged bankrupt with a bank account (or foreign currency bank account, as the case may be) in the currency of the Class applied for (e.g. Class USD investors are required to have a USD bank account). As an individual investor, you may also opt to invest in joint names (i.e. as a joint Unit holder and both applicants must be at least eighteen (18) years of age).
- an institution including a company, corporation, co-operative, trust or pension fund with a bank account (or foreign currency bank account, as the case may be) in the currency of the Class applied for (e.g. Class USD investors are required to have a USD bank account).

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

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

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

#### 3.4.2. How to invest?

You may invest through any of our Distributors or Principal Malaysia's offices after completing the relevant application and attaching a copy of your identity card, passport or any other identification document (where applicable). We may request for additional supporting document(s) or information from you. Your application should indicate clearly the amount you wish to invest in the Fund. We may introduce other mode of investment from time to time, subject to the approval of the relevant authorities.

You may make a payment:

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

#### 3.4.3. Regular Savings Plan

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

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

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

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

#### 3.4.5. Who is distributing this Fund?

The Fund may be distributed via the following channels:

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

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

You should not make any payment directly or indirectly to any individual agent or employee of the Manager or issue a cheque in the name of an individual agent or employee of the Manager when purchasing this Fund.

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

### 3.5. MINIMUM INVESTMENTS

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

#### 3.5.1. Processing an application

If we receive and accepted a complete application by 4:00 p.m. on a Business Day, we will process it using the NAV per unit for that Business Day. If we receive and accepted the application after 4:00 p.m. on a Business Day, we will process it using the NAV per unit for the next Business Day (T+1). We will only process the complete applications, i.e. when we have received all the necessary and required information and/or documentations. The number of units you receive will be rounded to two (2) decimal places.

### 3.6. MINIMUM WITHDRAWALS

The minimum withdrawal amount for each Class may differ and may be determined by us from time to time, unless you are withdrawing your entire investment. Please refer to the Annexure of the respective Class for further information. You may withdraw by completing a withdrawal application and submit it to the relevant Distributor, Principal Malaysia's offices or such other channel (where applicable). There is no restriction on the frequency of withdrawals. We will transfer the withdrawal proceeds to the bank account number (or foreign currency bank account number, as the case may be) provided by you.

#### 3.6.1. Processing a withdrawal

If we receive a complete withdrawal request by 4:00 p.m. on a Business Day, we will process it using the NAV per unit for that Business Day. If we receive the withdrawal request after 4:00 p.m. on a Business Day, we will process it using the NAV per unit for the next Business Day (T+1). The amount that you will receive is calculated by the withdrawal value less the Withdrawal Penalty, if any. You will be paid in the currency of the Class (e.g. Class MYR Unit holders will be paid in MYR) within seven (7) Business Days, upon our receipt of the complete withdrawal request. You will have to bear the applicable bank fees and charges, if any.

### 3.7. MINIMUM BALANCE

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

### 3.8. COOLING-OFF PERIOD

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

### 3.9. SWITCHING

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

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

Switching from an Islamic fund to a conventional fund is discouraged especially for Muslim Unit holders.

#### 3.9.1. Processing a switch

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

However, you should note that switch-in may be processed at a later Business Day, generally within one (1) Business Day to four (4) Business Days.

### 3.10. TRANSFER FACILITY

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

### 3.11. TEMPORARY SUSPENSION

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

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

1. the closure of a securities exchange or trading restrictions in the securities exchange; or
2. an emergency or other state of affairs; or
3. the declaration of a moratorium in a country where the Fund has assets; or
4. for the purpose of conversion of any currency, a closure or restrictions on trading in the relevant foreign market exchange; or
5. the realisation of the assets of the Fund not being able to be effected at prices which are fair to the Fund and/or within a reasonable period as a result of an unstable or disorderly market.

Please note that during the suspension period, there will be no NAV per unit available and hence, we will not accept any transactions for the applications, withdrawals, switches and/or transfers of units. If we have earlier accepted your request for applications, withdrawals, switches, and/or transfers of units before the suspension is declared, please note that your request will only be processed on the next Business Day after the cessation of suspension of the Fund. You will also be notified of the

suspension and when the suspension is lifted. In such case, you will not be able to redeem your units and will be compelled to remain invested in the Fund for a longer period of time than original timeline. Hence, your investments will continue to be subjected to the risks inherent to the Fund (please refer to the “Risk Factors” section).

### 3.12. DISTRIBUTION PAYMENT

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

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

If units are issued as a result of the reinvestment of a distribution or other circumstance after you have withdrawn your investment from the Class, those additional units will then be withdrawn and the proceeds will be paid to you.

You should note that distribution payments, if any, will be made in the respective currency for the Class(es). As such, the distribution amount may be different for each Class as a result of exchange rate movement between the base currency of the Fund and the denominated currency of the Class(es). The distribution will be paid into your bank account (which shall be in the respective currency of the Class(es)) in our records (at your cost and expense).

The Fund may distribute from realised income, realised capital gains, unrealised income, unrealised capital gains, capital or a combination of any of the above. Distributions are at our discretion and are not guaranteed, and the making of any distribution does not imply that further distributions will be made and we reserve the right to vary the frequency and/or amount of distributions. **Distribution out of capital is to allow the Fund the ability to distribute income according with the Fund’s defined frequency or to pursue the investment objective of the Fund.** The effects of making distribution out of capital has a risk of eroding the capital of the Fund.

Distribution out of capital represent a return or withdrawal of part of the amount of your original investment and/or capital gains attributable to the original investment and will result in a reduction in the NAV per unit of the Classes and reduce the capital available for future investment and capital growth. Future capital growth may therefore be constrained and the value of future returns would be diminished.

*Note: Please note that for Class(es) that provide distribution, we have the right to make provisions for reserves in respect of distribution of the Class. If the income available is too small or insignificant, any distribution may not be of benefit to you as the total cost to be incurred in any such distribution may be higher than the amount for distribution. We have the discretion to make income distribution on an ad-hoc basis, taking into consideration the level of the Fund’s distributable income, as well as the performance of the Fund.*

### 3.13. UNCLAIMED MONEYS

Any moneys payable to you which remain unclaimed after two (2) years as prescribed by the Unclaimed Moneys Act 1965 (“UMA”), will be surrendered to the Registrar of Unclaimed Moneys by us in accordance with the requirements of the UMA. Thereafter, all claims need to be made by you with the Registrar of Unclaimed Moneys.

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

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

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

## 4. ADDITIONAL INFORMATION

### 4.1. FINANCIAL YEAR-END

31 October.

### 4.2. INFORMATION ON YOUR INVESTMENT

We will send you the following:

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

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

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

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

You may obtain up-to-date fund information and NAV per unit from our monthly fund fact sheet and our website, [www.principal.com.my](http://www.principal.com.my).

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

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

Principal Asset Management Berhad  
Customer Care Centre  
Level 31, Exchange 106, Lingkaran TRX  
55188 Tun Razak Exchange  
Kuala Lumpur, MALAYSIA

### 4.3. DEED

The Fund is governed by the Deed dated 2 February 2024, the First Supplemental Deed dated 2 July 2024, the Second Supplemental Deed dated 26 August 2024, the Third Supplemental Deed dated 23 July 2025, the Fourth Supplemental Deed dated 18 August 2025, the Fifth Supplemental Deed dated 10 October 2025, the Sixth Supplemental Deed dated 13 October 2025 and the Seventh Supplemental Deed dated 26 May 2026 including any other supplemental deed (s) as may be issued from time to time.

### 4.4. DOCUMENTS AVAILABLE FOR INSPECTION

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

- The Deed;
- Current Prospectus and its supplementary or replacement prospectus, if any;
- The latest annual and interim reports of the Fund, which includes the audited financial statements of the Fund (where available) for the current financial year and for the last three (3) financial years or if less than three (3) years, from the date of launch of the Fund;
- Material contracts or documents disclosed in this Prospectus and, in the case of contracts not reduced into writing, a memorandum which gives full particulars of the contracts;

- Any reports, letters or other documents, valuations and statements by any expert, any part of which is extracted or referred to in this Prospectus;
- 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;
- Writ and relevant cause papers for all material litigation and arbitration disclosed in this Prospectus; and
- Consents given by experts disclosed in this Prospectus, if any.

#### 4.5. CONSENT

Ernst & Young Tax Consultants Sdn. Bhd., BIMB Securities Sdn Bhd, Principal Islamic Asset Management Sdn. Bhd. and HSBC (Malaysia) Trustee Berhad have given their written consent to act in their respective capacity. They have also given their consent for the inclusion of their names, statements and/or reports in this Prospectus in the form and context in which they appear and have not subsequently withdrawn their consent to the inclusion of their names, statements and/or reports in the form and context in which they appear in this Prospectus.

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

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

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

We generally discourage cross trades and prohibit any transactions between client(s) accounts and fund accounts. Any cross trade activity require prior approval with the relevant supporting justification(s) to ensure the trades are executed in the best interests of **both funds and such transactions were executed at arm's length. Cross trades will be reported to the person(s) or members of a committee undertaking the oversight function of the Fund to ensure compliance to the relevant regulatory requirements.**

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

Trustee

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

- (1) where the Fund invests in instrument(s) offered by the related party of the Trustee (e.g. placement of monies, Shariah-compliant transferable securities etc);
- (2) where the Fund is being distributed by the related party of the Trustee;
- (3) where the assets of the Fund are being custodised by the related party of the Trustee both as sub-custodian and/or global custodian of the Fund (i.e. **Trustee's delegate**); and
- (4) where the Fund obtains financing and hedging facilities as permitted under the GUTF, from the related party of the Trustee.

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

Subject to the above and any local regulations, the Trustee and/or its related group of companies may deal with each other, the Fund or any Unit holder or enter into any contract or transaction with each other, the Fund or any Unit holder or retain for its own benefit any profits or benefits derived from any such contract or transaction or act in the same or similar capacity in relation to any other scheme.

#### 4.7. INTERESTS IN THE FUND

Subject to any legal requirement, we or any of our related corporation, or any of our officers or directors, may invest in the Fund. Our directors will receive no payments from the Fund other than distributions that they may receive as a result of investment in

the Fund. No fees other than the ones set out in this Prospectus have been paid to any promoter of the Fund, or the Trustee (either to become a trustee or for other services in connection with the Fund), or us for any purpose.

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

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

# 5. THE MANAGER

## 5.1. ABOUT PRINCIPAL ASSET MANAGEMENT BERHAD

Principal Malaysia was incorporated on 13 June 1994 and is a joint venture between PFG and CIMB Group. Principal Malaysia has experience in operating unit trust funds since 1994.

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

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

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

5.1.1. The name and designation of each of the directors can be found on our website at [www.principal.com.my/en/about-us/leadership](http://www.principal.com.my/en/about-us/leadership).

5.1.2. Designated person responsible for fund management function

Name:	Wong Loke Chin
Designation:	Chief Investment Officer, Fixed Income - Malaysia
Experience:	Wong Loke Chin is a seasoned portfolio manager with more than 29 years of relevant experience in managing Domestic fixed income investments for retail, institutional, corporate and insurance clients. He has also gained over 12 years of experience managing global fixed income investment for institutional investors. Loke Chin joined Principal Asset Management Berhad (formerly known as CIMB-Principal Asset Management Berhad) in January 2005 from CIMB's Debt Markets and Derivatives Department, where he managed fixed income portfolios of institutional clients. Prior to joining CIMB in 2001, he had more than 6 years' experience in fixed income investment within the insurance industry.
Qualifications:	Loke Chin holds a Bachelor of Commerce degree from University of New South Wales, Australia and is a member of the Financial Markets Association Malaysia. He obtained his fund manager's representative license in January 2005.

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

## 6. THE SUB-MANAGER

### 6.1. 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 in its capacity as the Sub-Manager of the Fund is to implement appropriate fixed income investment strategies in line with the Fund's investment objective.

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.

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

Name:	Jesse Liew Thong Leong
Designation:	Chief Investment Officer, ASEAN Fixed Income and Principal Islamic Malaysia
Experience:	<p>Jesse Liew is the Chief Investment Officer for Principal Islamic Asset Management, with more than 20 years of experience in fixed income portfolio management, credit research, and investment strategy across global, Islamic, and emerging market bonds. He has an award-winning track record, including multiple top ranked bond strategies recognised by Malaysia's largest pension fund and international consultants.</p> <p>Earlier in his career, he held senior leadership roles at BNP Paribas Islamic Asset Management, including Chief Executive, Board Member, and Head of Global Islamic Fixed Income, where he helped grow the business to more than USD1 billion in assets. In 2025, he was also appointed by the United Nations as an international consultant to support Bahrain's SDG Sukuk strategy.</p>
Qualifications:	MSc in International Public Policy, Queen Mary University of London, and BBA in International Business, Aalto University (fmr. Helsinki School of Economics).

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

# 7. THE SHARIAH ADVISER

## 7.1. ABOUT BIMB SECURITIES SDN BHD

BIMB Securities has been appointed as the Shariah Adviser for the Fund. BIMB Securities will provide Shariah advisory services on the management and operations of the Fund to ensure the operations of the Fund comply with Shariah requirements. BIMB Securities is a stockbroking subsidiary of Bank Islam Malaysia Berhad incorporated on 21 February 1994 and is licensed by the SC. The corporate mission of BIMB Securities is to be an active participant in a modern, innovative and dynamic Islamic capital market in Malaysia, catering for the needs of all investors, Muslims and non-Muslims, looking for Shariah-compliant investment products and services.

BIMB Securities is registered with the SC to act as a Shariah Adviser for Islamic products and services regulated by the SC, which include Islamic CIS. BIMB Securities is independent from the Manager and does not hold office as a member of the committee undertaking the oversight function of the Fund or any other funds managed and administered by the Manager. As at LPD, BIMB Securities is a corporate Shariah Adviser to ninety-nine (99) Islamic funds including three (3) Islamic real estate investment trusts.

As the Shariah adviser for the Fund, the role of BIMB Securities is to ensure that the investment operations and processes of the Fund are in compliance with Shariah requirements. BIMB Securities will review the Fund's investments on a monthly basis to ensure Shariah compliance and it also reviews the interim and annual reports of the Fund. Notwithstanding the role played by the Shariah Adviser, the ultimate responsibility for ensuring Shariah compliance of the Fund in all aspects of operations and processes rests solely with the Manager.

In line with the SC's Guidelines on Islamic Capital Market Products and Services, the roles of BIMB Securities as the Shariah Adviser are:

1. to advise on all Shariah aspects of the Fund and Fund's operations and processes such that they are in accordance with Shariah requirements;
2. to provide Shariah expertise and guidance in all matters related to the Fund, particularly on the documentation such as the Deed and Prospectus, structure, investments and related operational matters;
3. to ensure that the Fund is managed and operated in accordance with Shariah requirements;
4. to review the Fund's compliance reports as provided by the Manager's compliance officer and investment transaction reports provided or duly approved by the Trustee to ensure that the Fund's investments are in line with Shariah;
5. to prepare a report to be included in the interim and annual reports of the Fund stating the Shariah Adviser's opinion whether the Fund have been operated and managed in compliance with Shariah, including rulings, principles and concepts endorsed by the SAC of the SC for the financial period concerned. If the Fund has not been operated and managed according to Shariah and requirements set out for the Fund, the Shariah Adviser's report must also highlight the steps taken to address the situation and to prevent the recurrence of the situation, as advised and adopted by the Manager, and duly acknowledged and concurred by the Shariah Adviser;
6. to apply *Ijtihad* (intellectual reasoning) to ensure all aspects relating to the Fund are in compliance with Shariah, in the absence of any rulings, principles and concepts endorsed by the SAC of the SC;
7. to consult the SC where there is ambiguity or uncertainty as to an investment, instrument, system, procedure and/or process;
8. to meet with the Manager semi-annually (or as and when required by the Manager and/or the Shariah Adviser) for the review of the Fund's operations and processes.

### 7.1.1. Designated Shariah Person

Name:	Muhammad Shahier bin Sa'min
Designation:	Head of Shariah
Experience:	<p>Muhammad Shahier joined BIMB Securities as the Head of Shariah in October 2024. He is responsible for all Shariah-related matters at BIMB Securities and served as the Secretary of the Shariah Advisory Committee and has been appointed as the Designated Shariah Person. He has also been registered as an individual Shariah Adviser with the SC.</p> <p>Prior to this, Muhammad Shahier was the Head of Shariah at Yayasan Pembangunan Ekonomi Islam Malaysia (YAPEIM) from June 2021 to October 2024, where he oversaw Shariah governance and compliance across the YAPEIM group. He also served as the Head of Business Development, Business Advisory at Islamic Banking and Finance Institute Malaysia (IBFIM) from June 2019 to June 2021, providing Shariah advisory services and delivering Shariah training. Before that, he was the Senior Executive/Unit Lead of Shariah Compliance, Risk Management Division at Malaysia Debt Ventures Berhad (MDV) from January 2018 to June 2019, and a Consultant in Shariah Business Advisory at IBFIM from January 2015 to December 2017. Currently, Muhammad Shahier also actively serves as a facilitator for IBFIM's professional certification training programs and a speaker for Institut Koperasi Malaysia (IKMa) awareness programs. He is also an accredited trainer under the Human Resource Development Corporation (HRDC) and a recognised Continuing Professional Education (CPE) trainer with the Securities Industry Development Corporation (SIDC).</p>
Qualifications:	<p>Bachelor of Shariah, majoring in Economics and Islamic Banking from Yarmouk University, Jordan (2014), obtained a professional certificate, Associate Qualification in Islamic Finance (AQIF), from the IBFIM (2019). In addition, he has recently earned the Certified Shari'a Adviser and Auditor (CSAA) certification from the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).</p>

Note: For more and/or updated information, please refer to our website at [www.principal.com.my](http://www.principal.com.my) and/or the Shariah Adviser's website at [www.bimbsec.com.my](http://www.bimbsec.com.my).

# 8. THE TRUSTEE

## 8.1. ABOUT HSBC (MALAYSIA) TRUSTEE BERHAD

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

### 8.1.1. Duties and Responsibilities of the Trustee

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

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

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

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

### 8.1.2. Trustee's Delegate

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

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

However, the Trustee is not liable for the acts, omissions or failure of third party depository including central securities depositories or clearing and/or settlement systems in any circumstances.

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

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

### 8.1.4. Trustee's Statement of Responsibility

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

## 9. SALIENT TERMS OF THE DEED

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

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

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

#### 9.1.1. Rights

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

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

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

#### 9.1.2. Liabilities

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

#### 9.1.3. Limitations

You cannot:

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

*Note: For full details of the rights of a registered Unit holder of the Fund, please refer to the Deed.*

### 9.2. MAXIMUM FEES, CHARGES AND EXPENSES PERMITTED BY THE DEED

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

Charges	Descriptions
(1) Application Fee	Up to 7.00% of the NAV per unit.
(2) Withdrawal Penalty	Up to 5.00% of the NAV per unit.
(3) Switching Fee	Up to 7.00% of the NAV per unit. An administrative fee (if any) in relation to switching may be charged as set out in this Prospectus.

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

Fees	Descriptions
(1) Management Fee	Up to 3.00% per annum, calculated daily on the NAV of the Class.
(2) Trustee Fee	Up to 0.045% per annum, calculated daily on the NAV of the Fund (including local custodian fees but excluding foreign sub-custodian fees and charges).

A lower fee and/or charges than what is stated in the Deed may be charged, all current fees and/or charges are disclosed in this Prospectus. Please refer to the "Fees, Charges and Expenses" chapter for further details.

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

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

### 9.2.1. Expenses permitted by the Deed

The Deed also provides for payment of other expenses. The major expenses recoverable directly from the Fund includes but is not limited to the following:

- commissions/fees paid to brokers/dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes or difference accounts;
- (where the custodial function is delegated by the Trustee to a foreign sub-custodian), charges/fees paid to the foreign sub-custodian;
- tax and other duties charged on the Fund by the government and other authorities if any and bank fees;
- the fees and other expenses properly incurred by the auditor of the Fund and tax agent;
- remuneration and out of pocket expenses of the person(s) or member(s) of a committee undertaking the oversight functions of the Fund and/or the members of the Shariah committee or advisers (if any) of the Fund, unless the Manager decides to bear the same;
- costs, fees and expenses incurred for the fund valuation and accounting of the Fund performed by a fund valuation agent;
- fees for valuation of any investment of the Fund by valuers for the benefit of the Fund;
- costs incurred for the modification of the Deed otherwise than for the benefit of the Manager or Trustee;
- costs incurred for any meeting of Unit holders other than those convened for the benefit of the Manager or Trustee;
- the sale, purchase, takaful, custody and any other dealings of investments including commissions/fees paid to brokers;
- costs involved with external specialists approved by the Trustee in investigating and evaluating any proposed investment;
- the engagement of valuers, advisers and contractors of all kinds;
- expenses incurred in preparation and audit of the taxation returns and accounts of the Fund, including the printing of, purchasing of stationery and postage for the annual and interim (if any) reports;
- termination of the Fund or Class and the retirement or removal of the Trustee or Manager and the appointment of a new trustee or management company;
- any proceedings, arbitration or other dispute concerning the Fund, Class or any asset of the Fund, including proceedings against the Trustee or the Manager for the benefit of the Fund or Class (except to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed out of the Fund);
- all costs and/or expenses associated with the distributions declared pursuant to the Deed and the payment of such distribution including without limitation fees, costs and/or expenses for the revalidation or reissuance of any distribution cheque or warrant or telegraphic transfer;
- costs of obtaining experts opinion by the Trustee and the Manager for the benefit of the Fund or Class;
- costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority, ministry, agency or department;
- costs, fees and expenses incurred in relation to the subscription, renewal and/or licensing of the performance benchmark for the Fund;
- costs, fees and expenses incurred in the engagement and provision of a registrar, administrator and/or transfer agent services including the provision of any electronic or digital invoicing; and
- costs of printing and dispatching to Unit holders the accounts of the Fund, tax certificates, distribution warrants, notices of meeting of Unit holders, newspaper advertisement and such other similar costs as may be approved by the Trustee.

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

### 9.3. RETIREMENT, REMOVAL OR REPLACEMENT OF THE MANAGER

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

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

We shall retire under the following circumstances:

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

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

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

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

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

#### 9.4. RETIREMENT, REMOVAL OR REPLACEMENT OF THE TRUSTEE

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

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

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

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

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

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

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

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

- (a) the SC's approval is revoked under Section 256E of the CMSA;
- (b) a **Special Resolution is passed at a Unit holders' meeting** of all the Unit holders of the Fund or the relevant Class to terminate or wind-up the Fund or the relevant Class, following the occurrence of events stipulated under Section 301(1) of the CMSA and the court has confirmed the resolution, as required under Section 301(3) of the CMSA;
- (c) a **Special Resolution is passed at a Unit holders' meeting** of all the Unit holders of the Fund or the relevant Class to terminate or wind-up the Fund or the relevant Class as the case may be;
- (d) the Fund or that Class has reached the maturity date (if any); or
- (e) the effective date of an approved transfer scheme, as defined under the GUTF, has resulted in the Fund, which is the subject of the transfer scheme, being left with no asset/property.

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

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

#### 9.6. MEETING OF UNIT HOLDERS

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

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

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

- by sending a notice by post, or where allowed by any relevant law and/or authority, digitally or electronically, of the proposed meeting at least seven (7) days before the date of the proposed meeting to each of those Unit holders of the Fund or Class,

- as the case may be, at his last known address or in the case of joint Unit holder, to the joint Unit holder of the Fund or Class, as the case may be, whose name stands first in our records **at the joint Unit holder's last known address**;
- by publishing at least fourteen (14) days before the date of the proposed meeting, an advertisement giving notice of the meeting in a national language national daily newspaper and in one other newspaper as may be approved by the SC; and
  - specify in the notice, the place, time and terms of the resolutions to be proposed,

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

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

Voting is by a show of hands, unless a poll is duly demanded or the resolution proposed is required by the Deed or by law to be decided by a percentage of all units. Each Unit holder of the Fund or of the Class present in person or by proxy has one (1) vote on a show of hands (irrespective of the Class). On a poll of a meeting of the Fund, the votes of each Unit holder of the Fund, present in person or by proxy, shall be proportionate to the value of unit held in the base currency as provided in the Deed. In the case of a Class meeting, on a poll, each Unit holder of that Class present in person or by proxy has one (1) vote for each whole fully paid unit held in that Class. In the case of joint Unit holders, any one (1) of such joint Unit holder may vote either personally or by proxy as comprised in the joint holding but if more than one (1) of such joint Unit holder be present at any meeting either personally or by proxy, the joint Unit holder whose name stands first in the register shall alone be entitled to vote in respect thereof. **Units held by the Manager or its nominees shall have no voting rights in any Unit holders' meeting of the Fund or of that Class.** In respect of the termination or winding-up of the Fund of that Class, voting shall only be carried out by poll.

Nothing herein shall preclude us from convening any Unit holders' meeting at more than one (1) venue using any communication facility or technology or method available as we shall determine to enable the Unit holders to participate and to exercise their right to speak and vote at that meeting. Where such meeting is convened, any reference to a Unit holder being "**present in person**" in the Deed, meetings or resolutions shall include, where permitted by us, to that Unit holder being present either remotely or virtually and for the avoidance of doubt it is hereby agreed that the participation by a Unit holder in such meeting using the prescribed communication facility or technology or method shall be deemed as being present at that meeting notwithstanding that the Unit holder is not physically present at the main venue of that meeting.

# 10. TAXATION REPORT

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

8 April 2026

The Board of Directors  
Principal Asset Management Berhad  
Level 32, Exchange 106,  
Lingkar TRX,  
55188 Tun Razak Exchange  
Kuala Lumpur, Malaysia

Dear Sirs

Taxation of the unit trust fund and unit holders

This letter has been prepared for inclusion in this Prospectus in connection with the offer of units in the unit trust known as Signature Dynamic Income Focus-i Fund (hereinafter referred to as “the Fund”).

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

Taxation of the Fund

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

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

Under Section 2(7) of the MITA, any reference to interest shall apply, *mutatis mutandis*, to gains or profits received and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of *Shariah*.

The effect of this is that any gains or profits received (hereinafter referred to as “profits”) and expenses incurred, in lieu of interest, in transactions conducted in accordance with the principles of *Shariah*, will be accorded the same tax treatment as if they were interest.

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

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

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

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

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

- where
- A is the total of the permitted expenses incurred for that basis period;
  - B is gross income consisting of dividend<sup>1</sup>, interest and rent chargeable to tax for that basis period; and
  - C is the aggregate of the gross income consisting of dividend<sup>1</sup> and interest (whether such dividend or interest is exempt or not) and rent, and gains made from the realisation of investments (whether chargeable to tax or not) for that basis period,

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

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

#### Exempt income

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

- Malaysian sourced dividends

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

- Malaysian sourced interest

- (i) interest from securities or bonds issued or guaranteed by the Government of Malaysia;
- (ii) interest from debentures or *Sukuk*, other than convertible loan stock, approved or authorised by, or lodged with, the Securities Commission;
- (iii) interest from Bon Simpanan Malaysia issued by Bank Negara Malaysia;
- (iv) interest derived from Malaysia and paid or credited by banks licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013;<sup>2</sup>
- (v) interest derived from Malaysia and paid or credited by any development financial institution prescribed under the Development Financial Institutions Act 2002<sup>2</sup>;
- (vi) interest from *Sukuk* originating from Malaysia, other than convertible loan stock, issued in any currency other than Ringgit and approved or authorised by, or lodged with, the Securities Commission or approved by the Labuan Financial Services Authority (LFSA)<sup>3</sup>; and
- (vii) interest which is specifically exempted by way of statutory orders or any other specific exemption provided by the Minister.

- Discount

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

#### Foreign-sourced income (FSI)

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

Based on the Malaysian Inland Revenue Board's "Guidelines on Tax Treatment in Relation to Income Received from Abroad (Amendment)" updated on 20 June 2024, the term "received in Malaysia" means transferred or brought into Malaysia, either by way of cash,<sup>4</sup> or electronic funds transfer.<sup>5</sup>

FSI received in Malaysia during the transitional period from 1 January 2022 to 30 June 2022 will be taxed at 3% of gross. From 1 July 2022 onwards, FSI received in Malaysia will be taxed at the prevailing tax rate(s) of the taxpayer and based on applicable tax rules. Bilateral or unilateral tax credits may be allowed if the same income has suffered foreign tax,<sup>6</sup> and where relevant conditions are met.

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

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

<sup>4</sup> "Cash" in this context is defined as banknotes, coins and cheques.

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

<sup>6</sup> "Foreign tax" includes withholding tax

The Income Tax (Unit Trust in relation to Income Received In Malaysia from Outside Malaysia) (Exemption) Order 2024 [P.U.(A) 250] has been issued to exempt a “qualifying unit trust”.<sup>7</sup> from the payment of income tax in respect of gross income from all sources of income under Section 4 of the MITA (including capital gains classified under Section 4(aa)), which is received in Malaysia from outside Malaysia.

This exemption applies to FSI received in Malaysia from 1 January 2024 to 31 December 2026<sup>8</sup>, subject to the following conditions being complied with by the qualifying unit trust or the management company.<sup>9</sup> of the qualifying unit trust:

- The income received in Malaysia has been subject to tax of a similar character to income tax under the laws of territory from which the income arose; and
- The highest rate of tax of a similar character to income tax under the law of that territory at that time is not less than 15%.

OR

- The management company of the qualifying unit trust shall employ an adequate number of employees in Malaysia and incur an adequate amount of operating expenditure in Malaysia.

The exemption will not apply to a unit trust carrying on the business of banking, insurance or sea or air transport.

Gains from the realisation of investments

Pursuant to the Finance (No. 2) Act 2023 (“Finance Act”), gains from the realisation of investments by a unit trust would no longer be exempt from tax. Pursuant to Section 61(1)(b) of the MITA, gains arising from the realisation of investments shall be treated as income of a unit trust under Section 4(aa) of MITA, provided that such gains are not related to real property as defined in the Real Property Gains Tax Act 1976. Section 4(aa) provides that gains or profits from the disposal of a capital asset are to be treated as a class of income. The tax imposed on such income under the MITA is commonly referred to as “capital gains tax” (CGT).

Based on the MITA, the following will be subject to Malaysian CGT:

#### Capital assets situated in Malaysia

- a) Gains or profits from the disposal of shares of a company incorporated in Malaysia not listed on the stock exchange (including any rights or interests thereof) owned by a company, limited liability partnership, trust body or co-operative society.
- b) Gains or profits, accruing to a company, limited liability partnership, trust body or co-operative society, on the disposal of shares in foreign incorporated controlled companies deriving value from real property in Malaysia, as determined based on the relevant provisions of the MITA.

#### Capital assets situated outside Malaysia

- c) Gains or profits from the disposal of movable or immovable property situated outside Malaysia including any rights or interests thereof. Such gains will only be subject to tax when the gains are received in Malaysia.

#### Note:

Pursuant to the Income Tax (Exemption) (No.3) Order 2024 [P.U.(A) 75], a trust body is exempted from payment of income tax in respect of gains or profits from the disposal of capital asset arising from outside Malaysia which is received in Malaysia. This exemption applies for such disposals from 1 January 2024 to 31 December 2026<sup>10</sup> subject to the following conditions being complied with by the trust body:

- employ an adequate number of employees in Malaysia with necessary qualifications to carry out the specified economic activities in Malaysia; and
- incur an adequate amount of operating expenditure for carrying out the specified economic activities in Malaysia.

Note that this exemption order applies to companies, limited liability partnerships, co-operative societies and trust bodies, whilst the (Income Tax (Unit Trust in relation to Income Received in Malaysia from Outside Malaysia) (Exemption) Order 2024 [P.U.(A) 250] (as referred above) applies specifically to qualifying unit trusts.

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<sup>7</sup> “Qualifying unit trust” in this context means a unit trust resident in Malaysia that is:

- (a) managed by a management company;
- (b) has income received in Malaysia from outside of Malaysia; and
- (c) does not include a unit trust which is approved by the Securities Commission as Real Estate Investment Trust or Property Trust Fund listed on Bursa Malaysia.

<sup>8</sup> It was proposed in Budget 2026 that this exemption be extended for a period of four years, until 31 December 2030.

<sup>9</sup> “Management company” means a company licensed by the Securities Commission by which or on whose behalf a unit of a qualifying unit trust –

- (a) has been or is proposed to be issued, or offered for subscription or purchase; or
- (b) in respect of which an invitation to subscribed or purchase has been made.

and includes any person for the time being exercising the functions of the management company.

<sup>10</sup> It was proposed in Budget 2026 that this exemption be extended for a period of four years, until 31 December 2030.

The Finance (No.2) Act 2023 provides an effective date of 1 January 2024 for the above changes to the MITA. However, pursuant to the Income Tax (Exemption) (No. 7) Order 2023 [P.U.(A) 410] and the Income Tax (Exemption) (No. 2) Order 2024 [P.U.(A) 57], taxpayers, including a trust body, are exempted from the payment of income tax in respect of any gains or profits received from the disposal of capital assets situated in Malaysia (see Item (a) and (b) above) where such disposals occur between 1 January 2024 and 29 February 2024.

In addition to the above, the Income Tax (Unit Trust) (Exemption) Order 2024 [P.U.(A) 249] exempts a qualifying unit trust<sup>11</sup> resident in Malaysia from the payment of income tax in respect of any gains or profit received from the disposal of shares of a company incorporated in Malaysia which is not listed on the stock exchange and from the disposal of shares under section 15C of the MITA where such disposals occur between 1 January 2024 and 31 December 2028.

The exemption will not apply to gains or profits from the disposals of capital assets that fall under Section 4(a) of the MITA as business income.

#### CGT rates

As noted above, various tax exemptions are available to a qualifying unit trust. For completeness, if exemptions do not apply, the relevant tax rates of the gains of the disposal of capital assets are as below:

		Tax rates
A.	Disposal of capital assets situated in Malaysia which was acquired before 1 January 2024	
	<ul style="list-style-type: none"> <li>• On chargeable income of the disposal</li> <li>• On gross disposal price</li> </ul>	10% 2%
B.	Disposal of capital assets situated in Malaysia which was acquired after 1 January 2024	
	<ul style="list-style-type: none"> <li>• On chargeable income of the disposal</li> </ul>	10%
C.	Disposal of capital assets situated outside Malaysia	
	<ul style="list-style-type: none"> <li>• On chargeable income of the disposal</li> </ul>	24% (prevailing tax rate of a unit trust)

#### **Implementation of Sales and Service Tax (“SST”)**

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

Based on the Service Tax Regulations 2018, a unit trust fund is neither regarded as a taxable person nor as providing taxable services and is therefore not liable for SST registration. Where the Fund incurs expenses such as fund management fees provided by asset and fund managers, these fund management fees are subjected to service tax effective 1 October 2025, pursuant to the Service Tax Policy No. 1/2025 (Amendment No.2) dated 17 September 2025 issued by the Royal Malaysian Customs Department (RMCD).

Besides management fees, other financial services related fees such as trustee fees and other administrative charges, may be subject to service tax, provided they fall within the scope of service tax [i.e. are provided by a “taxable person”, who exceeds the required annual threshold (i.e. RM1,000,000 per annum) and the services qualify as “taxable services”].

#### Taxation of unit holders

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

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

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

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

<sup>11</sup> “Qualifying unit trust” in this context does not include a unit trust which is approved by the Securities Commission as a Real Estate Investment Trust or Property Trust Fund listed on Bursa Malaysia.

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

1. Taxable distributions

Distributions received from the Fund will have to be grossed up to take into account the underlying tax paid by the Fund and the unit holder will be taxed on the grossed up amount. Please refer to item 2 below on certain distributions which are not taxable to unit holders.

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

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

2. Non-taxable and exempt distributions

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

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

As stated above, with effect from 1 January 2024 (1 March 2024 for disposals of shares of a company incorporated in Malaysia not listed on the stock exchange), gains arising from the realisation of investments shall be treated as income of the Fund under Section 4(aa), pursuant to the proviso of Section 61(1)(b) of MITA. However, pursuant to Section 61(1A) of MITA, unit holders will not be charged to tax on the gains referred to in the proviso to Section 61(1)(b).

Rates of tax

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

Unit holders	Malaysian income tax rates
<p>Malaysian tax resident:</p> <ul style="list-style-type: none"> <li>• Individual and non-corporate unit holders (such as associations and societies)</li> <li>• Co-operatives<sup>12</sup></li> <li>• Trust bodies</li> </ul>	<ul style="list-style-type: none"> <li>• Progressive tax rates ranging from 0% to 30%</li> <li>• Progressive tax rates ranging from 0% to 24%</li> <li>• 24%</li> </ul>

<sup>12</sup> Pursuant to Paragraph 12(1), Schedule 6 of the MITA, the income of any co-operative society—  
 (a) in respect of a period of five years commencing from the date of registration of such co-operative society; and  
 (b) thereafter where the members' funds [as defined in Paragraph 12(2)] of such co-operative society as at the first day of the basis period for the year of assessment is less than seven hundred and fifty thousand Ringgit, is exempt from tax.

Unit holders	Malaysian income tax rates
<ul style="list-style-type: none"> <li>• Corporate unit holders <ul style="list-style-type: none"> <li>(i) A company with paid up capital in respect of ordinary shares of not more than RM2.5 million (at the beginning of the basis period for the year of assessment) and gross income from a source or sources consisting of a business not exceeding RM50 million for the basis period for the year of assessment.<sup>13</sup> <sup>14</sup></li> <li>(ii) Companies other than (i) above</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• First RM150,000 of chargeable income @ 15%<sup>15</sup></li> <li>• Next RM450,000 of chargeable income @17%</li> <li>• Chargeable income in excess of RM600,000 @ 24%</li>   <li>• 24%</li> </ul>
<p>Non-Malaysian tax resident (Note 1):</p> <ul style="list-style-type: none"> <li>• Individual and non-corporate unit holders</li> <li>• Corporate unit holders and trust bodies</li> </ul>	<ul style="list-style-type: none"> <li>• 30%</li> <li>• 24%</li> </ul>

Note 1:

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

Gains from sale of units

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

Unit splits and reinvestment of distributions

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

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

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<sup>13</sup> A company would not be eligible for the concessionary tax rate on the first RM600,000 of chargeable income if:-

- (a) more than 50% of the paid-up capital in respect of the ordinary shares of the company is directly or indirectly owned by a related company which has paid-up capital in respect of ordinary shares of more than RM2.5million at the beginning of a basis period for a year of assessment;
- (b) the company owns directly or indirectly more than 50% of the paid-up capital in respect of the ordinary shares of a related company which has paid-up capital in respect of ordinary shares of more than RM2.5million at the beginning of a basis period for a year of assessment;
- (c) more than 50% of the paid-up capital in respect of the ordinary shares of the company and a related company which has a paid-up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment is directly or indirectly owned by another company.
- (d) Pursuant to the Finance Act 2023, effective from the year of assessment 2024, in order for a company to qualify for the concessionary tax rates not more than 20% of the paid-up capital in respect of the ordinary shares of the company at the beginning of a basis period for a year of assessment can be directly or indirectly owned by one or more companies incorporated outside Malaysia or by individuals who are not citizens of Malaysia.

<sup>15</sup> The above excludes a business trust and a company which is established for the issuance of asset-backed securities in a securitization transaction approved by the Securities Commission.

<sup>15</sup> Pursuant to the Finance Act 2023, effective from the year of assessment 2023, the concessionary tax rate is reduced from 17% to 15% for the first RM150,000 of chargeable income.

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

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

Yours faithfully  
Ernst & Young Tax Consultants Sdn Bhd

Bernard Yap  
Partner

Ernst & Young Tax Consultants Sdn Bhd has given its consent to the inclusion of the Taxation Adviser's Letter in the form and context in which it appears in this Prospectus and has not withdrawn such consent before the date of issue of this Prospectus.

# 11. DISTRIBUTOR OF THE FUND

## 11.1. IUTA

CIMB Bank Berhad

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

# ANNEXURE - CLASS MYR

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

## CLASS INFORMATION

Class MYR		Page
Currency denomination	MYR	
Distribution policy	Depending on the level of income (if any) the Fund will distribute part or all of its distributable income on a monthly basis. <i>Note: The Fund may distribute from realised income, realised capital gains, unrealised income, unrealised capital gains, capital or combination of any of the above. We reserve the right to vary the frequency and/or amount of distributions.</i>	21

## FEES & CHARGES

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

Charges	Class MYR	Page
Application Fee	Up to 3.00% of the NAV per unit.	11
Withdrawal Penalty	Nil.	11
Switching Fee	Switching is treated as a withdrawal from this Class and an investment into another Class or Principal Malaysia's fund (or its class). As such, you may be charged a Switching Fee equal to the difference (if any) between the Application Fee of this Class and the Application Fee of the other Class or Principal Malaysia's fund (or its class). Switching Fee will not be charged if the Class or Principal Malaysia's fund (or its class) to be switched into has a lower Application Fee. In addition, we may impose MYR100 as the administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fee with us or our Distributors. We also have the discretion to waive the Switching Fee and/or administrative fee.	11
Transfer Fee	A maximum of MYR50.00 may be charged for each transfer.	11
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.

Fees	Class MYR	Page
Management Fee	1.20% per annum of the NAV of the Class in Malaysia.	11
Trustee Fee	0.045% per annum (including local custodian fees and charges but excluding foreign sub-custodian fees and charges) on the NAV of the Fund. The foreign sub-custodian fees and charges is dependent on the country invested and is charged monthly in arrears.	12
Expenses directly related to the Fund or Class	Only expenses that are directly related to the Fund or Class can be charged to the Fund or Class respectively. Examples of relevant expenses are audit fee and tax agent's fee.	12
Other fees payable indirectly by you when investing in the Fund	Nil.	

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

## TRANSACTION INFORMATION

	Class MYR	Page
Minimum initial investment	MYR100 or such other amount as we may decide from time to time.	19
Minimum additional investment	MYR100 or such other amount as we may decide from time to time.	19
Minimum withdrawal	100 units or such other number of units as we may decide from time to time.	19
Minimum balance	100 units or such other number of units as we may decide from time to time.	19
Regular Savings Plan	RSP is available. It allows you to make regular monthly investments <sup>#</sup> of MYR100 or more, directly from your account held with a bank approved by us or our Distributors. The minimum initial investment for the RSP is MYR100 or such other amount as we may decide from time to time.	18
Switching facility	Switching will be conducted based on the value of your investment in the Class. The minimum amount for a switch is subject to: <ul style="list-style-type: none"> <li>▪ for switching out of the Class: <ul style="list-style-type: none"> <li>○ the minimum withdrawal applicable to the Class;</li> <li>○ the minimum balance required (after the switch) for the Class, unless you are withdrawing from the Class in entirety; and</li> <li>○ the Withdrawal Fee of the Class (if any);</li> </ul> </li> <li>▪ for switching into the Class: <ul style="list-style-type: none"> <li>○ the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Class; and</li> <li>○ the Switching Fee applicable for the proposed switch (if any).</li> </ul> </li> </ul> <p>You may negotiate to lower the amount for your switch with us or our Distributors. Switching from an Islamic fund to a conventional fund is discouraged especially for Muslim Unit holders</p>	20
Transfer	We may, at our absolute discretion, allow or refuse transfer of units subject to such terms and conditions as may be stipulated in the Deed.	20

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

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

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

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

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

# ANNEXURE - CLASS MYR-HEDGED

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

## CLASS INFORMATION

Class MYR-Hedged		Page
Currency denomination	MYR	
Distribution policy	Depending on the level of income (if any) the Fund will distribute part or all of its distributable income on a monthly basis. <i>Note: The Fund may distribute from realised income, realised capital gains, unrealised income, unrealised capital gains, capital or combination of any of the above. We reserve the right to vary the frequency and/or amount of distributions.</i>	21

## FEES & CHARGES

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

Charges	Class MYR-Hedged	Page
Application Fee	Up to 3.00% of the NAV per unit.	11
Withdrawal Penalty	Nil.	11
Switching Fee	Switching is treated as a withdrawal from this Class and an investment into another Class or Principal Malaysia's fund (or its class). As such, you will be charged a Switching Fee equal to the difference (if any) between the Application Fee of this Class and the Application Fee of the other Class or Principal Malaysia's fund (or its class) to be switched into. Switching Fee will not be charged if the Class or Principal Malaysia's fund (or its class) to be switched into has a lower Application Fee. In addition, we may impose MYR100 as the administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fee with us or our Distributors. We also have the discretion to waive the Switching Fee and/or administrative fee.	11
Transfer Fee	A maximum of MYR50.00 may be charged for each transfer.	11
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 MYR-Hedged	Page
Management Fee	1.20% per annum of the NAV of the Class.	11
Trustee Fee	0.045% per annum (including local custodian fees but excluding foreign sub-custodian fee and charges) on the NAV of the Fund. The foreign sub-custodian fees and charges is dependent on the country invested and is charged monthly in arrears.	12
Expenses directly related to Fund or Class	Only expenses that are directly related to the Fund or Class can be charged to the Fund or Class respectively. Examples of relevant expenses are audit fee and tax agent's fee.	12
Other fees payable indirectly by you when investing in the Fund	Nil.	

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

## TRANSACTION INFORMATION

	Class MYR-Hedged	Page
Minimum initial investment	MYR100 or such other amount as we may decide from time to time.	19
Minimum additional investment	MYR100 or such other amount as we may decide from time to time.	19
Minimum withdrawal	100 units or such other number of units as we may decide from time to time.	19
Minimum balance	100 units or such other number of units as we may decide from time to time.	19
Regular Savings Plan	RSP is available. It allows you to make regular monthly investments of MYR100 or more, directly from your account held with a bank approved by us or our Distributors. The minimum initial investment for the RSP is MYR100 or such other amount as we may decide from time to time.	18
Switching facility	<p>Switching will be conducted based on the value of your investment in the Class. The minimum amount for a switch is subject to:</p> <ul style="list-style-type: none"> <li>▪ for switching out of the Class: <ul style="list-style-type: none"> <li>○ the minimum withdrawal applicable to the Class;</li> <li>○ the minimum balance required (after the switch) for the Class, unless you are withdrawing from the Class in entirety; and</li> <li>○ the Withdrawal Fee of the Class (if any);</li> </ul> </li> <li>▪ for switching into the Class: <ul style="list-style-type: none"> <li>○ the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Class; and</li> <li>○ the Switching Fee applicable for the proposed switch (if any).</li> </ul> </li> </ul> <p>You may negotiate to lower the amount for your switch with us or our Distributors. Switching from an Islamic fund to a conventional fund is discouraged especially for Muslim Unit holders.</p>	20
Transfer facility	We may, at our absolute discretion, allow or refuse transfer of units subject to such terms and conditions as may be stipulated in the Deed.	20

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

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

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

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

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

# ANNEXURE - CLASS USD

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

## CLASS INFORMATION

Class USD		Page
Currency denomination	USD	
Distribution policy	Depending on the level of income (if any) the Fund will distribute part or all of its distributable income on a monthly basis. <i>Note: The Fund may distribute from realised income, realised capital gains, unrealised income, unrealised capital gains, capital or combination of any of the above. We reserve the right to vary the frequency and/or amount of distributions.</i>	21

## FEES & CHARGES

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

Charges	Class USD	Page
Application Fee	Up to 3.00% of the NAV per unit.	11
Withdrawal Penalty	Nil.	11
Switching Fee	Switching is treated as a withdrawal from this Class and an investment into another Class or Principal Malaysia's fund (or its class). As such, you may be charged a Switching Fee equal to the difference (if any) between the Application Fee of this Class and the Application Fee of the other Class or Principal Malaysia's fund (or its class) to be switched into has a lower Application Fee. In addition, we may impose USD35 as the administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fee with us or our Distributors. We also have the discretion to waive the Switching Fee and/or administrative fee.	11
Transfer Fee	A maximum of USD15 may be charged for each transfer.	11
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.

Fees	Class USD	Page
Management Fee	1.20% per annum of the NAV of the Class in Malaysia.	11
Trustee Fee	0.045% per annum (including local custodian fees and charges but excluding foreign sub-custodian fees and charges) on the NAV of the Fund. The foreign sub-custodian fees and charges is dependent on the country invested and is charged monthly in arrears.	12
Expenses directly related to the Fund or Class	Only expenses that are directly related to the Fund or Class can be charged to the Fund or Class respectively. Examples of relevant expenses are audit fee and tax agent's fee.	12
Other fees payable indirectly by you when investing in the Fund	Nil.	

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

## TRANSACTION INFORMATION

	Class USD	Page
Minimum initial investment	USD100 or such other amount as we may decide from time to time.	19
Minimum additional investment	USD100 or such other amount as we may decide from time to time.	19
Minimum withdrawal	100 units or such other number of units as we may decide from time to time.	19
Minimum balance	100 units or such other number of units as we may decide from time to time.	19
Regular Savings Plan	Currently, RSP is not available for this Class.	18
Switching facility	<p>Switching will be conducted based on the value of your investment in the Class. The minimum amount for a switch is subject to:</p> <ul style="list-style-type: none"> <li>▪ for switching out of the Class: <ul style="list-style-type: none"> <li>○ the minimum withdrawal applicable to the Class;</li> <li>○ the minimum balance required (after the switch) for the Class, unless you are withdrawing from the Class in entirety; and</li> <li>○ the Withdrawal Fee of the Class (if any);</li> </ul> </li> <li>▪ for switching into the Class: <ul style="list-style-type: none"> <li>○ the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Class; and</li> <li>○ the Switching Fee applicable for the proposed switch (if any).</li> </ul> </li> </ul> <p>You may negotiate to lower the amount for your switch with us or our Distributors. Switching from an Islamic fund to a conventional fund is discouraged especially for Muslim Unit holders</p>	20
Transfer	We may, at our absolute discretion, allow or refuse transfer of units subject to such terms and conditions as may be stipulated in the Deed.	20

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

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

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

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

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

# ANNEXURE - CLASS SGD-HEDGED

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

## CLASS INFORMATION

Class SGD-Hedged		Page
Currency denomination	SGD	
Distribution policy	Depending on the level of income (if any) the Fund will distribute part or all of its distributable income on a monthly basis. <i>Note: The Fund may distribute from realised income, realised capital gains, unrealised income, unrealised capital gains, capital or combination of any of the above. We reserve the right to vary the frequency and/or amount of distributions.</i>	21

## FEES & CHARGES

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

Charges	Class SGD-Hedged	Page
Application Fee	Up to 3.00% of the NAV per unit.	11
Withdrawal Penalty	Nil.	11
Switching Fee	Switching is treated as a withdrawal from this Class and an investment into another Class or Principal Malaysia's fund (or its class). As such, you will be charged a Switching Fee equal to the difference (if any) between the Application Fee of this Class and the Application Fee of the other Class or Principal Malaysia's fund (or its class) to be switched into. Switching Fee will not be charged if the Class or Principal Malaysia's fund (or its class) to be switched into has a lower Application Fee. In addition, we may impose SGD35 as the administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fee with us or our Distributors. We also have the discretion to waive the Switching Fee and/or administrative fee.	11
Transfer Fee	A maximum of SGD15 may be charged for each transfer.	11
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 SGD-Hedged	Page
Management Fee	1.20% per annum of the NAV of the Class.	11
Trustee Fee	0.045% per annum (including local custodian fees but excluding foreign sub-custodian fee and charges) on the NAV of the Fund. The foreign sub-custodian fees and charges is dependent on the country invested and is charged monthly in arrears.	12
Expenses directly related to Fund or Class	Only expenses that are directly related to the Fund or Class can be charged to the Fund or Class respectively. Examples of relevant expenses are audit fee and tax agent's fee.	12
Other fees payable indirectly by you when investing in the Fund	Nil.	

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

## TRANSACTION INFORMATION

	Class SGD-Hedged	Page
Minimum initial investment	SGD100 or such other amount as we may decide from time to time.	19
Minimum additional investment	SGD100 or such other amount as we may decide from time to time.	19
Minimum withdrawal	100 units or such other number of units as we may decide from time to time.	19
Minimum balance	100 units or such other number of units as we may decide from time to time.	19
Regular Savings Plan	Currently, RSP is not available for this Class.	18
Switching facility	<p>Switching will be conducted based on the value of your investment in the Class. The minimum amount for a switch is subject to:</p> <ul style="list-style-type: none"> <li>▪ for switching out of the Class: <ul style="list-style-type: none"> <li>○ the minimum withdrawal applicable to the Class;</li> <li>○ the minimum balance required (after the switch) for the Class, unless you are withdrawing from the Class in entirety; and</li> <li>○ the Withdrawal Fee of the Class (if any);</li> </ul> </li> <li>▪ for switching into the Class: <ul style="list-style-type: none"> <li>○ the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Class; and</li> <li>○ the Switching Fee applicable for the proposed switch (if any).</li> </ul> </li> </ul> <p>You may negotiate to lower the amount for your switch with us or our Distributors. Switching from an Islamic fund to a conventional fund is discouraged especially for Muslim Unit holders.</p>	20
Transfer facility	We may, at our absolute discretion, allow or refuse transfer of units subject to such terms and conditions as may be stipulated in the Deed.	20

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

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

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

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

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

# ANNEXURE - CLASS AUD-HEDGED

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

## CLASS INFORMATION

Class AUD-Hedged		Page
Currency denomination	AUD	
Distribution policy	Depending on the level of income (if any) the Fund will distribute part or all of its distributable income on a monthly basis. <i>Note: The Fund may distribute from realised income, realised capital gains, unrealised income, unrealised capital gains, capital or combination of any of the above. We reserve the right to vary the frequency and/or amount of distributions.</i>	21

## FEES & CHARGES

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

Charges	Class AUD-Hedged	Page
Application Fee	Up to 3.00% of the NAV per unit.	11
Withdrawal Penalty	Nil.	11
Switching Fee	Switching is treated as a withdrawal from this Class and an investment into another Class or Principal Malaysia's fund (or its class). As such, you will be charged a Switching Fee equal to the difference (if any) between the Application Fee of this Class and the Application Fee of the other Class or Principal Malaysia's fund (or its class) to be switched into. Switching Fee will not be charged if the Class or Principal Malaysia's fund (or its class) to be switched into has a lower Application Fee. In addition, we may impose AUD35 as the administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fee with us or our Distributors. We also have the discretion to waive the Switching Fee and/or administrative fee.	11
Transfer Fee	A maximum of AUD15 may be charged for each transfer.	11
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 AUD-Hedged	Page
Management Fee	1.20% per annum of the NAV of the Class.	11
Trustee Fee	0.045% per annum (including local custodian fees but excluding foreign sub-custodian fee and charges) on the NAV of the Fund. The foreign sub-custodian fees and charges is dependent on the country invested and is charged monthly in arrears.	12
Expenses directly related to Fund or Class	Only expenses that are directly related to the Fund or Class can be charged to the Fund or Class respectively. Examples of relevant expenses are audit fee and tax agent's fee.	12
Other fees payable indirectly by you when investing in the Fund	Nil.	

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

## TRANSACTION INFORMATION

	Class AUD-Hedged	Page
Minimum initial investment	AUD100 or such other amount as we may decide from time to time.	19
Minimum additional investment	AUD100 or such other amount as we may decide from time to time.	19
Minimum withdrawal	100 units or such other number of units as we may decide from time to time.	19
Minimum balance	100 units or such other number of units as we may decide from time to time.	19
Regular Savings Plan	Currently, RSP is not available for this Class.	18
Switching facility	<p>Switching will be conducted based on the value of your investment in the Class. The minimum amount for a switch is subject to:</p> <ul style="list-style-type: none"> <li>▪ for switching out of the Class: <ul style="list-style-type: none"> <li>○ the minimum withdrawal applicable to the Class;</li> <li>○ the minimum balance required (after the switch) for the Class, unless you are withdrawing from the Class in entirety; and</li> <li>○ the Withdrawal Fee of the Class (if any);</li> </ul> </li> <li>▪ for switching into the Class: <ul style="list-style-type: none"> <li>○ the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Class; and</li> <li>○ the Switching Fee applicable for the proposed switch (if any).</li> </ul> </li> </ul> <p>You may negotiate to lower the amount for your switch with us or our Distributors. Switching from an Islamic fund to a conventional fund is discouraged especially for Muslim Unit holders.</p>	20
Transfer facility	We may, at our absolute discretion, allow or refuse transfer of units subject to such terms and conditions as may be stipulated in the Deed.	20

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

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

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

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

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