

# MASTER PROSPECTUS

## Investments that stand the test of time



**Manager** : **CIMB-Principal Asset Management Berhad** (304078-K)

**Trustee** : **AmanahRaya Trustees Berhad** (766894-T) **HSBC (Malaysia) Trustee Berhad** (1281-T)  
**Maybank Trustees Berhad** (5004-P) **Universal Trustee (Malaysia) Berhad** (17540-D)  
**PB Trustee Services Berhad** (7968-T)

This Master Prospectus is dated **30 June 2016** and expires on **29 June 2017**, and incorporates the following 18 Funds namely:

**Equity Funds** : CIMB-Principal Equity Fund (constituted on 1 August 1995), CIMB-Principal Equity Aggressive Fund 1 (constituted on 18 August 2004), CIMB-Principal Equity Aggressive Fund 3 (constituted on 12 March 1998), CIMB-Principal Equity Growth & Income Fund (constituted on 15 May 1991), CIMB-Principal Equity Income Fund (constituted on 1 October 2003), CIMB-Principal Small Cap Fund (constituted on 20 April 2004) and CIMB-Principal KLCI-Linked Fund (constituted on 8 June 2000).

**Mixed Asset Funds** : CIMB-Principal Balanced Fund (constituted on 12 March 1998), CIMB-Principal Balanced Income Fund (constituted on 10 August 1995) and CIMB-Principal Income Plus Balanced Fund (constituted on 12 March 1998).

**Fixed Income & Money Market Funds** : CIMB-Principal Bond Fund (constituted on 15 November 1995), CIMB-Principal Strategic Bond Fund (constituted on 23 March 2004), CIMB-Principal Deposit Fund (constituted on 8 July 2004) and CIMB-Principal Money Market Income Fund (constituted on 18 February 2004).

**Regional & Global Funds** : CIMB-Principal Asian Equity Fund (constituted on 1 March 2006), CIMB-Principal Australian Equity Fund (constituted on 20 March 2010), CIMB-Principal China-India-Indonesia Equity Fund (constituted on 21 January 2010) and CIMB-Principal Greater China Equity Fund (constituted on 12 June 2007).

**DISCLAIMER** : **INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE MASTER 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 29.**

# PREFACE

Dear Valued Investor,

Thank you for considering an investment with CIMB-Principal Asset Management Berhad (“CIMB-Principal”).

We are proud to offer our extensive suit of Funds which provides investors with a choice to achieve their long-term financial goals. Investors should continuously take interest in their investments and seek the information they need to know about their investments, know their rights, consult their financial advisers and know where to check, verify and clarify their doubts.

This Master Prospectus has full and accurate disclosure of material information to help investors in making informed decisions regarding their investments. Please also note that there are risks involved in investing in these Funds. The general risks which are common to all Funds and specific risks which are explicit to each Fund according to its nature of investment assets. For further details, please refer to the “Risk Factors” chapter of this Master Prospectus.

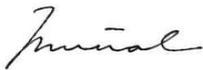
Each Fund imposes an Application Fee. A Management Fee and a Trustee Fee will also be chargeable to the Funds. For other fees and charges, please refer to the “Fees, Charges and Expenses” chapter of this Master Prospectus.

Take your time to refer to the “Key Data” chapter in this Master Prospectus. This section answers any questions you may have on our family of conventional Funds such as their investment objectives, key strategies, investor profiles, risks parameters as well as fees and charges.

Reading this Master Prospectus is your first step towards deciding on the Fund(s) that is well-suited for your personal financial goals and risk appetite. To find out more, speak to our helpful personnel at the Customer Care Centre at (03) 7718 3100. Alternatively, you may contact our Distributors and Unit Trust Consultants detailed in the “Distributors of the Funds” chapter in this Master Prospectus.

Let us help you grow and move your wealth towards your investment goals.

Yours faithfully,  
for **CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD**



**Munirah binti Khairuddin**  
**Chief Executive**

# ABOUT THIS DOCUMENT

This is a Master Prospectus that introduces you to CIMB-Principal and its diverse range of conventional investment funds comprising equity funds, mixed asset funds, fixed income and money market funds as well as regional and global funds. This Master Prospectus outlines in general the information you need to know to make an informed decision as to which Fund best suits your financial needs.

If you have any questions about the information in this Master Prospectus or would like to know more about investing in the CIMB-Principal family of unit trust funds, please call CIMB-Principal Customer Care Centre at (03) 7718 3100 between 8:30 a.m. and 5:30 p.m. (Malaysian time), Mondays to Fridays (except on Selangor public holidays).

If you wish to invest after 29 June 2017, please obtain a Master Prospectus and application form current at that time.

Unless otherwise indicated, any reference in this Master Prospectus to any legislation, statute or statutory provision is a reference to that legislation, statute or statutory provision for the time being, as amended or re-enacted, and to any repealed legislation, statute or statutory provision which is re-enacted (with or without modification).

Any reference to a time or day in this Master Prospectus shall be a reference to that time or day in Malaysia, unless otherwise stated.

Please note that all references to currency amounts and unit prices in this Master Prospectus are in Ringgit Malaysia unless otherwise indicated.

## MASTER PROSPECTUS DETAILS

<b>Issue No.</b>	<b>20</b>
<b>Prospectus Date</b>	<b>30 June 2016</b>
<b>Expiry Date</b>	<b>29 June 2017</b>

## RESPONSIBILITY STATEMENTS

This Master Prospectus has been reviewed and approved by the directors of CIMB-Principal 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 Master Prospectus false or misleading.

## STATEMENTS OF DISCLAIMER

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

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

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

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

## ADDITIONAL STATEMENTS

No units will be issued or sold based on this Master Prospectus later than one (1) year after the date of this Master Prospectus.

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

# TABLE OF CONTENTS

<b>DEFINITIONS</b> .....	1	DISTRIBUTIONS OF THE FUNDS.....	105
<b>CORPORATE DIRECTORY</b> .....	4	UNCLAIMED MONEYS.....	106
<b>KEY DATA</b> .....	6	<b>THE MANAGER</b> .....	107
<b>RISK FACTORS</b> .....	29	ABOUT CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD .....	107
GENERAL RISKS OF INVESTING IN UNIT TRUST FUNDS .....	29	SUMMARY OF THE FINANCIAL POSITION OF THE COMPANY .....	107
SPECIFIC RISKS ASSOCIATED WITH THE INVESTMENT PORTFOLIO OF THE FUNDS.....	29	KEY PERSONNEL .....	108
SECTION 1: EQUITY FUNDS .....	29	THE INVESTMENT COMMITTEE.....	109
SECTION 2: MIXED ASSET FUNDS.....	31	THE BOARD OF DIRECTORS.....	111
SECTION 3: FIXED INCOME & MONEY MARKET FUNDS.....	32	AUDIT COMMITTEE .....	113
SECTION 4: REGIONAL & GLOBAL FUNDS.....	34	KEY MEMBERS OF THE INVESTMENT TEAM .....	113
<b>FUNDS' DETAILED INFORMATION</b> .....	38	MATERIAL LITIGATION AND ARBITRATION .....	114
SECTION 1: EQUITY FUNDS .....	39	<b>THE SUB-MANAGER</b> .....	115
1.1 CIMB-PRINCIPAL EQUITY FUND.....	39	ABOUT CIMB-PRINCIPAL ASSET MANAGEMENT (S) PTE. LTD. ....	115
1.2 CIMB-PRINCIPAL EQUITY AGGRESSIVE FUND 1 .....	40	<b>THE TRUSTEES</b> .....	116
1.3 CIMB-PRINCIPAL EQUITY AGGRESSIVE FUND 3 .....	41	AMANAHRAYA TRUSTEES BERHAD.....	116
1.4 CIMB-PRINCIPAL EQUITY GROWTH & INCOME FUND.....	42	MAYBANK TRUSTEES BERHAD .....	119
1.5 CIMB-PRINCIPAL EQUITY INCOME FUND .....	43	PB TRUSTEE SERVICES BERHAD .....	122
1.6 CIMB-PRINCIPAL SMALL CAP FUND.....	44	HSBC (MALAYSIA) TRUSTEE BERHAD.....	123
1.7 CIMB-PRINCIPAL KLCI-LINKED FUND.....	45	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD.....	125
SECTION 2: MIXED ASSET FUNDS.....	47	WHAT ARE THE ROLES, DUTIES AND RESPONSIBILITIES OF THE TRUSTEES? .....	126
2.1 CIMB-PRINCIPAL BALANCED FUND.....	47	TRUSTEES' STATEMENT OF RESPONSIBILITY .....	126
2.2 CIMB-PRINCIPAL BALANCED INCOME FUND .....	48	EXEMPTIONS OR VARIATIONS .....	126
2.3 CIMB-PRINCIPAL INCOME PLUS BALANCED FUND .....	49	MATERIAL LITIGATION AND ARBITRATION .....	126
SECTION 3: FIXED INCOME & MONEY MARKET FUNDS.....	50	<b>SALIENT TERMS OF DEEDS</b> .....	128
3.1 CIMB-PRINCIPAL BOND FUND.....	50	RIGHTS OF UNIT HOLDERS .....	128
3.2 CIMB-PRINCIPAL STRATEGIC BOND FUND .....	51	LIABILITIES AND LIMITATION OF UNIT HOLDERS .....	128
3.3 CIMB-PRINCIPAL DEPOSIT FUND .....	52	MAXIMUM FEES AND CHARGES PERMITTED BY THE DEEDS.....	129
3.4 CIMB-PRINCIPAL MONEY MARKET INCOME FUND.....	53	EXPENSES PERMITTED BY THE DEEDS.....	132
SECTION 4: REGIONAL & GLOBAL FUNDS.....	54	RETIREMENT, REMOVAL OR REPLACEMENT OF THE MANAGER .....	133
4.1 CIMB-PRINCIPAL ASIAN EQUITY FUND .....	54	POWER OF THE MANAGER TO REMOVE / REPLACE THE TRUSTEES .....	133
4.2 CIMB-PRINCIPAL AUSTRALIAN EQUITY FUND .....	55	RETIREMENT OR REMOVAL OR REPLACEMENT OF THE TRUSTEES .....	133
4.3 CIMB-PRINCIPAL CHINA-INDIA-INDONESIA EQUITY FUND .....	58	POWER OF THE TRUSTEES TO REMOVE, RETIRE OR REPLACE THE MANAGER.....	133
4.4 CIMB-PRINCIPAL GREATER CHINA EQUITY FUND .....	59	TERMINATION OF THE FUNDS .....	134
PERMITTED INVESTMENTS.....	69	MEETINGS OF UNIT HOLDERS .....	134
INVESTMENT RESTRICTIONS AND LIMITS .....	70	<b>APPROVALS AND CONDITIONS</b> .....	135
VALUATION OF PERMITTED INVESTMENTS.....	72	<b>RELATED-PARTY TRANSACTIONS / CONFLICT OF INTEREST</b> .....	136
BORROWINGS / FINANCING .....	72	POTENTIAL CONFLICTS OF INTERESTS AND RELATED-PARTY TRANSACTIONS .....	136
SECURITIES LENDING .....	72	INTERESTS IN THE FUNDS .....	136
<b>FUNDS' PERFORMANCE</b> .....	73	EMPLOYEES' SECURITIES DEALINGS .....	136
AVERAGE TOTAL RETURNS.....	73	<b>TAXATION REPORT</b> .....	137
ANNUAL TOTAL RETURNS .....	74	<b>ADDITIONAL INFORMATION</b> .....	141
FUNDS' PERFORMANCE AGAINST BENCHMARK.....	75	INVESTOR SERVICES .....	141
DISTRIBUTIONS.....	78	DISTRIBUTION CHANNELS WHERE UNITS CAN BE PURCHASED OR REDEEMED .....	142
PORTFOLIO TURNOVER RATIO ("PTR") .....	81	<b>CONSENT</b> .....	143
ASSET ALLOCATION .....	83	<b>DOCUMENTS AVAILABLE FOR INSPECTION</b> .....	144
<b>HISTORICAL HIGHLIGHTS OF THE FUNDS</b> .....	86	<b>DISTRIBUTORS OF THE FUNDS</b> .....	145
FINANCIAL STATEMENTS OF THE FUNDS.....	86	<b>APPENDIX I – UNIT TRUST LOAN FINANCING RISK DISCLOSURE STATEMENT</b> .....	147
TOTAL ANNUAL EXPENSES .....	91		
MANAGEMENT EXPENSE RATIO ("MER").....	92		
<b>FEES, CHARGES AND EXPENSES</b> .....	93		
CHARGES.....	93		
FEES AND EXPENSES .....	94		
AUTODEBIT / STANDING INSTRUCTION.....	97		
REBATES AND SOFT COMMISSIONS .....	97		
<b>TRANSACTION INFORMATION</b> .....	98		
UNIT PRICING .....	98		
TRANSACTION DETAILS .....	100		
INVESTING .....	100		
MINIMUM WITHDRAWALS AND MINIMUM BALANCE .....	102		
COOLING-OFF PERIOD .....	103		
SWITCHING .....	103		
TRANSFER FACILITY.....	104		

# DEFINITIONS

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

Application Fee	- Preliminary charge on each investment.
ART	- AmanahRaya Trustees Berhad (766894-T).
ASEAN	- Association of Southeast Asian Nations.
Auditors	- An approved company auditor independent of both the Trustee and the Manager, and appointed by the Trustee of the Fund.
BNM	- Bank Negara Malaysia.
Bursa Malaysia	- Bursa Malaysia Securities Berhad (635998-W).
Business Day	- Mondays to Fridays when Bursa Malaysia is open for trading, and/or banks in Kuala Lumpur and/or Selangor are open for business.

**Note for CIMB-Principal Asian Equity Fund and CIMB-Principal China-India-Indonesia Equity Fund:**

The Manager may declare certain Business Days a non-Business Day if that Fund's investment in foreign markets which are closed for business is at least 50% of the Fund's NAV.

**Note for CIMB-Principal Greater China Equity Fund:**

The Manager may declare certain Business Days a non-Business Day when it is a non-Business Day for the Target Fund or in the event of a temporary suspension of the Net Asset Value calculation of the Target Fund as provided for in its prevailing prospectus. This information will be communicated to the Unit holders via CIMB-Principal's website at <http://www.cimb-principal.com.my>. Alternatively, Unit holders can contact our Customer Care Centre at (03) 7718 3100.

CIMB	- CIMB Investment Bank Berhad (18417-M).
CIMB FTSE ASEAN 40	- An Exchange-Traded Fund (ETF) listed on the Singapore Stock Exchange Trading Limited.
CIMB Group	- CIMB Group Sdn. Bhd. (706803-D).
CIMB Group Holdings	- CIMB Group Holdings Berhad (50841-W).
CIMB-Principal or the Manager	- CIMB-Principal Asset Management Berhad (304078-K).
CIMB-Principal (S)	- CIMB-Principal Asset Management (S) Pte. Ltd. (200607208K).
CIMB-Principal Funds	- Any unit trust funds that may be offered by CIMB-Principal.
CIS	- Collective Investment Scheme.
CMSA	- Capital Markets and Services Act 2007.
CWA	- Refers to the unit trust consultants of CIMB-Principal.
Deeds	- The Master Deed and any Supplemental Master Deed in respect of the Funds made between the Manager, the Trustee and the Unit holders of the Funds, agreeing to be bound by the provisions of the respective Deeds.
Deposit	- Refers to placement of term deposit with financial institution with maturities ranging anywhere from one (1) day to one (1) year, being 365 days or 366 days in the event of a leap year.
Distributors	- Any relevant persons and bodies appointed by CIMB-Principal from time to time who are responsible for selling units of the Fund.
Eligible Market	- A market which is regulated by a regulatory authority, operates regularly, is open to the public and has adequate liquidity for the purposes of the Fund.
EPF	- Employees Provident Fund.
EUR	- Euro.
Exchange-Traded Fund or ETF	- An authorized collective investment scheme listed on the exchange.
FBM 100	- FTSE Bursa Malaysia Top 100.
Fitch	- Fitch Ratings.
FTSE	- An independent company owned by The Financial Times and the London Stock Exchange. The company's sole business is the creation and management of indices and associated data services, on an international scale. (For more information, please refer to <a href="http://www.ftserussell.com/">http://www.ftserussell.com/</a> )
Fund / Funds	- Refers to CIMB-Principal Funds which are segregated into four different sections:

**SECTION 1: EQUITY FUNDS**

CIMB-Principal Equity Fund	EF
CIMB-Principal Equity Aggressive Fund 1	EAF1
CIMB-Principal Equity Aggressive Fund 3	EAF3
CIMB-Principal Equity Growth & Income Fund	EGIF
CIMB-Principal Equity Income Fund	EIF
CIMB-Principal Small Cap Fund	SCF
CIMB-Principal KLCI-Linked Fund	KLF

**SECTION 2: MIXED ASSET FUNDS**

CIMB-Principal Balanced Fund	BF
CIMB-Principal Balanced Income Fund	BIF

CIMB-Principal Income Plus Balanced Fund IPBF

**SECTION 3: FIXED INCOME & MONEY MARKET FUNDS**

CIMB-Principal Bond Fund BOF  
CIMB-Principal Strategic Bond Fund SBF  
CIMB-Principal Deposit Fund DF  
CIMB-Principal Money Market Income Fund MMIF

**SECTION 4: REGIONAL & GLOBAL FUNDS**

CIMB-Principal Asian Equity Fund AEF  
CIMB-Principal Australian Equity Fund CAEF  
CIMB-Principal China-India-Indonesia Equity Fund CIIEF  
CIMB-Principal Greater China Equity Fund GCEF

GDP	- Gross Domestic Product.
GST	- Refers to the tax levied on goods and services pursuant to the Goods and Services Tax Act 2014.
HSBCT	- HSBC (Malaysia) Trustee Berhad (1281-T).
IDC	- Interactive Data Corporation.
ICULS	- Irredeemable Convertible Unsecured Loan Stock.
IOSCO	- International Organization of Securities Commissions. For further details, please refer to <a href="http://www.iosco.org">http://www.iosco.org</a> .
IUTAs	- Institutional Unit Trust Advisers.
Latest Practicable Date or LPD	- 30 April 2016, in which all information provided herein shall remain current and relevant as at such date.
Long-term	- Refers to a period of five (5) years or more.
LTT	- Lifetime Trust (which includes CIMB-Principal Equity Aggressive Fund 3, CIMB-Principal Balanced Fund and CIMB-Principal Income Plus Balanced Fund).
MARC	- Malaysian Rating Corporation Berhad (364803-V).
Management Fee	- A percentage of the NAV of the Fund that is paid to the Manager for managing the portfolio of the Fund.
Master Prospectus	- Refers to the disclosure document issued by the fund manager describing the details of the Funds.
Medium-term	- Refers to a period of three (3) years.
MER	- Management Expense Ratio.
MGS	- Malaysian Government Securities, long-term interest bearing bonds issued by the Government of Malaysia. In this context, long-term refers to securities which have maturity more than a year. (Source: Bond Info Hub of BNM)
Moody's	- Moody's Investors Service.
MSCI	- Morgan Stanley Capital International.
MTB	- Maybank Trustees Berhad (5004-P).
Net Asset Value or NAV	- The NAV of the Fund is the value of all Funds' assets less the value of all the Funds' liabilities, at the point of valuation. For the purpose of computing the annual Management Fee (if any) and annual Trustee Fee (if any), the NAV of the Fund should be inclusive of the Management Fee and Trustee Fee for the relevant day.
NAV per unit	- The Net Asset Value of the Fund divided by the number of units in circulation, at the valuation point.
OTC	- Over-the-counter.
PBTBSB	- PB Trustee Services Berhad (7968-T).
PGI	- Principal Global Investors, LLC.
PIA	- Principal International (Asia) Ltd.
Principal Financial Group or PFG	- Principal Financial Group and its affiliates.
PTR	- Portfolio Turnover Ratio.
RAM	- RAM Rating Services Berhad (763588-T).
Quant shop MGS Bond Index (Medium Sub-Index)	- A MGS Medium Sub-Index developed by Quant Shop Pty. Ltd. For further details, please refer to <a href="http://www.quantshop.com">http://www.quantshop.com</a> .
RM and Sen	- Ringgit Malaysia and Sen respectively.
S&P	- Standard & Poor's.
SC	- Securities Commission Malaysia.
SC Guidelines	- SC Guidelines on Unit Trust Funds as may be amended and/or updated from time to time.
SISF	- Schroder International Selection Fund.
Schroder ISF Greater China	- Schroder International Selection Fund Greater China.
Short-term	- Refers to a period of one (1) year or less.

Special Resolution	- A resolution passed by a majority of not less than 3/4 of Unit holders voting at a meeting of Unit holders. For the purpose of terminating or winding up a fund, a Special Resolution is passed by a majority in number representing at least 3/4 of the value of the units held by Unit holders voting at the meeting.
Sub-Manager	- A fund management company / asset management company that assumes all / or part of the investment function role of the Manager.
Switching Fee	- A charge that may be levied when switching is done from one(1) Fund to another.
Target Fund	- The fund or funds into which each feeder fund or fund-of-funds respectively invests in.
Transfer Fee	- A nominal fee levied for each transfer of units from one(1) Unit holder to another.
Trustees	- ART, MTB, PBTBSB, HSBCT, and/or UTMB and "Trustee" means any one of them.
Trustee Fee	- A fee that is paid to the Trustee for its services rendered as trustee for the Fund.
UCI	- An "undertaking for collective investment" within the meaning of points a) and b) of Article 1(2) of the UCITS IV Directive.
UCITS	- An "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the UCITS IV Directive.
UCITS IV Directive	- Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.
UK	- United Kingdom.
Unit holder	- The registered holder for the time being of a unit of the Fund including persons jointly so registered.
USA	- United States of America.
USD	- United States Dollar.
UTMB	- Universal Trustee (Malaysia) Berhad (17540-D).
Withdrawal Fee	- A charge levied upon redemption under certain terms and conditions (if applicable).

**Note:**

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

*Reference to "days" in this Master Prospectus will be taken to mean calendar days unless otherwise stated.*

# CORPORATE DIRECTORY

## The Manager

CIMB-Principal Asset Management Berhad (304078-K)

### Business address

10th Floor Bangunan CIMB  
Jalan Semantan Damansara Heights  
50490 Kuala Lumpur  
Tel: (03) 2084 8888

### Penang office

Level 4, Menara BHL  
51, Jalan Sultan Ahmad Shah  
10050 Penang Malaysia  
Tel: (04) 227 2177

### Kuching office

Level 6, Wisma STA  
26, Jalan Datuk Abang Abdul Rahim  
93450 Kuching Sarawak Malaysia  
Tel: (082) 330 033

### Registered address

13th Floor, Menara CIMB  
Jalan Stesen Sentral 2 Kuala Lumpur Sentral  
50470 Kuala Lumpur Malaysia  
Tel: (03) 2261 8888

### Postal address

CIMB-Principal Asset Management Berhad  
PO Box 10571  
50718 Kuala Lumpur Malaysia

### Customer Care Centre

50, 52 & 54, Jalan SS21/39  
Damansara Utama  
47400 Petaling Jaya Selangor Malaysia  
Tel: (03) 7718 3100  
Fax: (03) 7718 3003

### Website

<http://www.cimb-principal.com.my>

### E-mail

[service@cimb-principal.com.my](mailto:service@cimb-principal.com.my)

## Board of Directors

Dato' Robert Cheim Dau Meng  
Effendy bin Shahul Hamid  
Auyeung Rex Pak Kuen  
Pedro Esteban Borda  
Alejandro Elias Echegorri Rodriguez  
Munirah binti Khairuddin  
Dato' Anwar bin Aji\*  
Wong Joon Hian\*  
A.Huzaima bin Dato' Abdul Hamid\*  
Hisham bin Zainal Mokhtar\*

\* *Independent director*

## Investment Committee

Kim Teo Poh Jin\*  
Wong Fook Wah\*  
A.Huzaima bin Dato' Abdul Hamid\*  
Mohamad Safri bin Shahul Hamid  
Effendy bin Shahul Hamid  
Alejandro Elias Echegorri Rodriguez

\* *Independent member*

## Audit Committee

Wong Joon Hian\*  
Dato' Anwar bin Aji\*  
Effendy bin Shahul Hamid

\* *Independent member*

## Company Secretaries

Datin Rossaya binti Mohd Nashir (LS 0007591)  
Halimah binti Habib (LS 0007999)  
Level 13, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur Malaysia  
Tel: (03) 2261 8888

## Sub-Manager for EGIF, EIF, AEF and CIIEF

CIMB-Principal Asset Management (S) Pte. Ltd. (200607208K)

### Business/Registered address

50, Raffles Place  
#22-03A Singapore Land Tower  
SINGAPORE 048623  
Tel: (65) 6210 8488

## The Trustees

### Trustee for EGIF and EAF1

AmanahRaya Trustees Berhad (766894-T)

### Business address

Tingkat 2, Wisma AmanahRaya II  
No. 21, Jalan Melaka  
50100 Kuala Lumpur Malaysia  
Tel: (03) 2036 5000/5129  
Fax: (03) 2072 0322  
<http://www.artrustees.com.my>

### Registered address

Tingkat 11, Wisma AmanahRaya  
No. 2, Jalan Ampang  
50508 Kuala Lumpur Malaysia  
Tel: (03) 2055 7388

### Delegate of AmanahRaya Trustees Berhad

\*Citibank NA (Singapore) Branch (as Custodian)

### Business address

8, Marina View, #16-00 Asia Square Tower 1  
SINGAPORE 018960  
Tel: (65) 6657 5610 (GL)  
Fax: (65) 6657 5658  
<http://www.citibank.com>

### Registered address

#16-00 Asia Square Tower 1  
SINGAPORE 018960

### Trustee for SCF, SBF, MMIF and LTT

Maybank Trustees Berhad (5004-P)

### Business/Registered address

8th Floor, Menara Maybank  
100, Jalan Tun Perak  
50050 Kuala Lumpur Malaysia  
Tel: (03) 2078 8363  
<http://www.maybank2u.com.my>

### Delegate of Maybank Trustees Berhad

Malayan Banking Berhad (3813-K) (as Custodian)  
(Maybank Custody Services)

### Business/Registered address

14th Floor, Menara Maybank  
100, Jalan Tun Perak  
50050 Kuala Lumpur Malaysia  
Tel: (03) 2074 7111

### Delegate of Maybank Trustees Berhad for SBF

(for foreign investments)  
Citibank NA (Singapore) Branch

**Business/Registered address**

3, Temasek Avenue, #16-00 Centennial Tower  
SINGAPORE 039190  
Tel: (65) 6328 5610 (GL)  
Fax: (65) 6328 5658  
<http://www.citibank.com>

**Trustee for BOF**

PB Trustee Services Berhad (7968-T)

**Business/Registered address**

17th Floor, Menara Public Bank  
146, Jalan Ampang  
50450 Kuala Lumpur Malaysia  
Tel: (03) 2162 6760  
Fax: (03) 2164 3285

**Delegate of PB Trustee Services Berhad**

CIMB Bank Berhad (13491P) (as Custodian)

**Business/Registered address**

17th Floor, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur Malaysia  
Tel: (03) 2261 8888  
Fax: (03) 2261 8889  
<http://www.cimb.com>

**Trustee for CAEF, DF, GCEF and KLF**

HSBC (Malaysia) Trustee Berhad (1281-T)

**Business/Registered address**

13th Floor, Bangunan HSBC, South Tower  
No. 2, Leboh Ampang  
50100 Kuala Lumpur Malaysia  
Tel: (03) 2075 7800  
Fax: (03) 2179 6511

**Delegate of HSBC (Malaysia) Trustee Berhad**

(for local investments)

The Hongkong And Shanghai Banking Corporation Limited  
(as custodian) and assets held through:  
HSBC Nominees (Tempatan) Sdn. Bhd. (258854-D)

**Business/Registered address**

2, Leboh Ampang  
50100 Kuala Lumpur Malaysia  
Tel: (03) 2075 3000  
Fax: (03) 2179 6488

**Delegate of HSBC (Malaysia) Trustee Berhad**

(for foreign investments)

HSBC Institutional Trust Services (Asia) Limited  
6th Floor, Tower One  
HSBC Centre  
1, Sham Mong Road  
Kowloon Hong Kong  
Tel: (852) 2822 1111  
Fax: (852) 2810 5259

**Trustee for EF, EIF, BIF, AEF and CIIEF**

Universal Trustee (Malaysia) Berhad (17540-D)

**Business/Registered address**

1, Jalan Ampang, 3rd Floor  
50450 Kuala Lumpur MALAYSIA  
Tel: (03) 2070 8050  
Fax: (03) 2031 8715, (03) 2032 3194, (03) 2070 1296

**Delegate of Universal Trustee (Malaysia) Berhad**

(Local custodian)  
Citibank Berhad (as custodian)

**Business address/Registered address**

Level 45, Menara Citibank  
165, Jalan Ampang  
50450 Kuala Lumpur, Malaysia  
Tel: 603 2383 8585

**Delegate of Universal Trustee (Malaysia) Berhad**

(Global custodian)  
Citibank NA (Singapore) Branch

**Business address**

8, Marina View, #16-00 Asia Square Tower 1  
SINGAPORE 018960  
Tel: (65) 6657 5610 (GL)  
Fax: (65) 6657 5658  
<http://www.citibank.com>

**Registered address**

#16-00 Asia Square Tower 1  
SINGAPORE 018960

**Federation of Investment Managers Malaysia (FiMM)**

19-06-1, 6th Floor, Wisma Tune  
19, Lorong Dungun  
Damansara Heights  
50490 Kuala Lumpur Malaysia  
Tel: (03) 2093 2600  
E-mail: [info@fimm.com.my](mailto:info@fimm.com.my)  
<http://www.fimm.com.my>

**Auditors of the Manager and of the Funds**

PricewaterhouseCoopers  
Chartered Accountants  
Level 10, 1 Sentral  
Jalan Rakyat  
Kuala Lumpur Sentral  
PO Box 10192  
50706 Kuala Lumpur Malaysia

**Tax Adviser**

PricewaterhouseCoopers  
Taxation Services Sdn. Bhd.  
Level 10, 1 Sentral  
Jalan Rakyat  
Kuala Lumpur Sentral  
PO Box 10192  
50706 Kuala Lumpur Malaysia

**Solicitors**

Soon Gan Dion & Partners  
1st Floor, 73, Jalan SS21/1A  
Damansara Utama  
47400 Petaling Jaya  
Selangor Malaysia  
Tel: (03) 7726 3168  
Fax: (03) 7726 3445

**Principal Banker**

CIMB Bank Berhad  
Menara Bumiputra-Commerce  
11, Jalan Raja Laut  
50350 Kuala Lumpur Malaysia

**Note:** All information provided herein shall remain current and relevant as at 31 May 2016.

# KEY DATA

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

## FUND INFORMATION – EQUITY FUNDS

CIMB-Principal Equity Fund		Page
<b>Fund category / Type</b>	Equity / Growth.	
<b>Investment objective</b>	To maximise capital growth over the medium to long-term through the stock market.	39
<b>Benchmark</b>	FTSE Bursa Malaysia Top 100 Index for performance comparison.	39
<b>Investment policy and principal investment strategy</b>	The Fund may invest between 70% to 98% (both inclusive) of its NAV in equities and other permissible investments. In line with its objective, the investment policy and strategy of the Fund will focus on investment in shares of companies with growth potential and listed on the main market.	39
<b>Principal risks</b>	Stock specific risk.	29
<b>Investor profile</b>	The recommended investment timeframe for this Fund is five (5) years or more. This Fund is suitable for investors who: <ul style="list-style-type: none"> <li>▪ have a long-term investment horizon;</li> <li>▪ do not require regular income from their investment;</li> <li>▪ are comfortable with a higher risk; and/or</li> <li>▪ seek capital appreciation over long-term.</li> </ul>	
<b>Trustee</b>	Universal Trustee (Malaysia) Berhad.	125
<b>Distribution policy</b>	The Manager has the discretion to distribute part or all of the Fund's distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Fund.	105
<b>Launch date</b>	1 August 1995.	
<b>Financial year-end</b>	30 June.	

<b>Fund category / Type</b>	Equity / Growth.	
<b>Investment objective</b>	To provide investors with long-term capital growth by investing principally in equities. The Fund also seeks to outperform the FTSE Bursa Malaysia KLCI benchmark.	40
<b>Benchmark</b>	FTSE Bursa Malaysia KLCI for performance comparison.	40
<b>Investment policy and principal investment strategy</b>	The Fund will invest between 70% to 98% (both inclusive) of its NAV in equities and up to a maximum of 30% of its NAV may be invested in warrants and options. Liquid assets may also be strategically used if the Manager perceives that the downside risk of the market is high in the short-term. In line with its objective, the investment policy and strategy of the Fund will focus on investment in shares of companies with growth potential.	40
<b>Principal risks</b>	Stock specific risk and risk associated with investment in warrants and/or options.	29
<b>Investor profile</b>	The recommended investment timeframe for this Fund is five (5) years or more. This Fund is suitable for investors who: <ul style="list-style-type: none"> <li>▪ have a long-term investment horizon;</li> <li>▪ do not require regular income from their investment;</li> <li>▪ seek capital appreciation over the long-term; and/or</li> <li>▪ can accept that investment returns may fluctuate significantly over the short-term and may even be negative.</li> </ul>	
<b>Trustee</b>	AmanahRaya Trustees Berhad.	116
<b>Distribution policy</b>	The Manager has the discretion to distribute part or all of the Fund's distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Fund.	105
<b>Launch date</b>	18 August 2004.	
<b>Financial year-end</b>	30 April.	

CIMB-Principal Equity Aggressive Fund 3		Page
<b>Fund category / Type</b>	Equity / Growth.	
<b>Investment objective</b>	To grow the value of investments over the long-term through investment in Malaysian shares.	41
<b>Benchmark</b>	FTSE Bursa Malaysia Top 100 Index for performance comparison.	41
<b>Investment policy and principal investment strategy</b>	<p>The Fund may invest between 70% to 98% (both inclusive) of the Fund's NAV in local equities. The investment policy and strategy of the Fund will be to invest in stocks which are selected based on their future growth prospects with benchmarking of the Fund being a secondary consideration. In addition, liquid assets may also be strategically used if the Manager feels that the market downside risk is high in the short-term.</p> <p>The Fund will be managed with high tracking error. The investment strategy of the Fund will be predominantly based on bottom up stock selection instead of investing mainly in the stocks represented in the benchmark. Consequently, the Fund's individual stock and sector weightage will deviate significantly from the benchmark, thus leads to high tracking error. The strategy of the Fund includes utilizing liquid assets dynamically in the changing market conditions. For example, high level of cash holdings in the bearish market will result in higher tracking error as the cash positions helps minimize the degree of the decline in Fund's NAV as compared to the benchmark which have 100% exposure to the market downside.</p>	41
<b>Principal risks</b>	Stock specific risk.	29
<b>Investor profile</b>	<p>The recommended investment timeframe for this Fund is five (5) years or more. This Fund is suitable for investors who:</p> <ul style="list-style-type: none"> <li>▪ have a long-term investment horizon;</li> <li>▪ do not require regular income from their investment;</li> <li>▪ seek capital appreciation over the long-term; and/or</li> <li>▪ can accept that investment returns may fluctuate significantly over the short-term and may even be negative.</li> </ul>	
<b>Trustee</b>	Maybank Trustees Berhad.	119
<b>Distribution policy</b>	No distribution is expected to be paid, however, distribution, if any, will be incidental and will vary from period to period depending on interest rates, market conditions and the performance of the Fund.	105
<b>Launch date</b>	12 March 1998.	
<b>Financial year-end</b>	31 December.	

CIMB-Principal Equity Growth & Income Fund		Page
<b>Fund category / Type</b>	Equity / Growth.	
<b>Investment objective</b>	To achieve capital appreciation over the medium to long-term through all types of investments that have the potential for above average growth over time.	42
<b>Benchmark</b>	70% FTSE Bursa Malaysia Top 100 Index + 30% MSCI AC Asia ex Japan for performance comparison.  <i>Note: The benchmark is customized as such to reflect the structure and the composition of the portfolio.</i>	42
<b>Investment policy and principal investment strategy</b>	<p>The Fund may invest between 70% to 98% (both inclusive) of its NAV in equities in order to gain long-term capital growth. The Fund may opt to invest in foreign equities up to a maximum of 30% of its NAV. Such foreign equities must be equity securities of companies domiciled in, listed in, and/or have significant operations in Asia ex Japan. 'Significant operations' means major businesses of the company. For example, the Fund can invest in a company with significant business/operations in Thailand but listed on the New York Stock Exchange. The threshold for 'significant operations' would be if more than 30% of total group revenue derives from countries in Asia ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). In line with its objective, the investment policy and strategy of the Fund will be to invest primarily in equities, with a bias towards growth stocks that have the potential to deliver long-term capital appreciation. To a lesser extent, the Fund invests in liquid assets primarily for the purpose of cash management.</p> <p>The investment management function for the foreign investments of this Fund has been delegated to CIMB-Principal (S) with the approval of the SC. CIMB-Principal (S) will be responsible for investing and managing these foreign investments in accordance with the investment objective and within the investment restrictions.</p>	42
<b>Principal risks</b>	Stock specific risk, country risk, currency risk and risk of investing in emerging markets.	30
<b>Investor profile</b>	<p>The recommended investment timeframe for this Fund is between three (3) and five (5) years or more. This Fund is suitable for investors who:</p> <ul style="list-style-type: none"> <li>▪ have a medium-term to long-term investment horizon;</li> <li>▪ want a diversified portfolio of equities with some foreign exposure; and/or</li> <li>▪ seek capital appreciation with dividend income being secondary.</li> </ul>	
<b>Sub-Manager (foreign portion)</b>	CIMB-Principal (S).	115
<b>Trustee</b>	AmanahRaya Trustees Berhad.	116
<b>Distribution policy</b>	The Manager has the discretion to distribute part or all of the Fund's distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Fund.	105
<b>Launch date</b>	15 May 1991.	
<b>Financial year-end</b>	30 April.	

CIMB-Principal Equity Income Fund		Page
<b>Fund category / Type</b>	Equity / Income.	
<b>Investment objective</b>	To provide investors with an opportunity to gain consistent and stable income by investing in a diversified portfolio of dividend yielding equities and fixed income securities. The Fund may also provide moderate capital growth potential over the medium to long-term period.	43
<b>Benchmark</b>	50% FTSE Bursa Malaysia Top 100 Index + 50% MSCI AC Asia ex Japan for performance comparison.  <i>Note: The benchmark is customized as such to reflect the structure/composition of the portfolio.</i>	43
<b>Investment policy and principal investment strategy</b>	<p>The Fund may invest between 70% to 98% (both inclusive) of its NAV in equities in order to gain long-term capital growth. The Fund may opt to invest in foreign equities up to a maximum of 70% of its NAV. Such foreign equities must be equity securities of companies domiciled in, listed in, and/or have significant operations in Asia ex Japan. 'Significant operations' means major businesses of the company. For example, the Fund can invest in a company with significant business/operations in Thailand but listed on the New York Stock Exchange. The threshold for 'significant operations' would be if more than 30% of total group revenue derives from countries in Asia ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). In line with its objective, the investment policy and strategy of the Fund will be to invest in a diversified portfolio of high dividend yielding stocks and/or fixed income securities aimed at providing a stable income stream in the form of distributions to investors.</p> <p>The investment management function for the foreign investments of this Fund has been delegated to CIMB-Principal (S) with the approval of the SC. CIMB-Principal (S) will be responsible for investing and managing these foreign investments in accordance with the investment objective and within the investment restrictions.</p>	43
<b>Principal risks</b>	Stock specific risk, credit (default) and counterparty risk, interest rate risk, country risk, currency risk and risk of investing in emerging markets.	30
<b>Investor profile</b>	<p>The recommended investment timeframe for this Fund is between three (3) to five (5) years or more. This Fund is suitable for investors who:</p> <ul style="list-style-type: none"> <li>▪ have a medium-term to long-term investment horizon;</li> <li>▪ want a diversified portfolio of equities with foreign exposure; and/or</li> <li>▪ look for stable income through equities that offer stable income and growth potential over medium-term to long-term.</li> </ul>	
<b>Sub-Manager (foreign portion)</b>	CIMB-Principal (S).	115
<b>Trustee</b>	Universal Trustee (Malaysia) Berhad.	125
<b>Distribution policy</b>	Distribution (if any) is expected to be distributed annually, depending on the performance of the Fund and at the Manager's discretion.	105
<b>Launch date</b>	1 October 2003.	
<b>Financial year-end</b>	31 January.	

CIMB-Principal Small Cap Fund		Page
<b>Fund category / Type</b>	Equity (Small-Cap) / Growth.	
<b>Investment objective</b>	To provide growth to the value of Unit holders' investments over the long-term in an equity fund by investing in undiscovered smaller companies listed on Bursa Malaysia.	44
<b>Benchmark</b>	FTSE Bursa Malaysia Small Cap Index for performance comparison.	44
<b>Investment policy and principal investment strategy</b>	The Fund may invest between 70% to 98% (both inclusive) of the Fund's NAV in shares of smaller companies that are listed on Bursa Malaysia with market capitalisation of up to three (3) billion Ringgit Malaysia at the point of purchase. The investment policy and strategy of the Fund will therefore focus on investments in securities of such smaller companies with potential growth and hands-on management policies but may be under-researched by major stock broking houses. To a lesser extent, the Fund may also invest in other permissible investments such as liquid assets primarily for the purpose of cash management. In addition, liquid assets may be strategically used if the Manager feels that the market downside risk is high in the short term.	44
<b>Principal risks</b>	Stock specific risk and liquidity risk.	31
<b>Investor profile</b>	<p>The recommended investment timeframe for this Fund is five (5) years or more. This Fund is suitable for investors who:</p> <ul style="list-style-type: none"> <li>▪ have a long-term investment horizon;</li> <li>▪ want to diversify their overall investment portfolio by including shares as an asset class, particularly shares of smaller companies;</li> <li>▪ seek capital appreciation over the long-term; and/or</li> <li>▪ can accept that investment returns may fluctuate significantly over the short-term and may even be negative.</li> </ul>	
<b>Trustee</b>	Maybank Trustees Berhad.	119
<b>Distribution policy</b>	No distribution is expected to be paid, however, distribution, if any, will be incidental and will vary from period to period depending on interest rates, market conditions and the performance of the Fund.	105
<b>Launch date</b>	20 April 2004.	
<b>Financial year-end</b>	31 December.	

CIMB-Principal KLCI-Linked Fund		Page
<b>Fund Category / Type</b>	Equity / Index-tracking.	
<b>Investment objective</b>	To achieve medium to long-term capital appreciation by seeking to match the performance of the FTSE Bursa Malaysia KLCI.	45
<b>Benchmark</b>	FTSE Bursa Malaysia KLCI for performance comparison.	45
<b>Investment policy and principal investment strategy</b>	The Fund is an index fund which aims to track the movement of the FTSE Bursa Malaysia KLCI. The Fund's indexing strategy is to hold a representative sample of the securities that make up its underlying index. Thus, the Fund normally invests at least 90% of its NAV in the index stocks representing 95%-98% of the index weights. As such, the Fund may invest up to 30 index stocks, being the representative index stocks of the FTSE Bursa Malaysia KLCI. The Fund may also utilize index futures to ensure it is fully invested at all times and to reduce transaction costs.	45
<b>Principal risks</b>	Lack of discretion by Manager to adapt to market changes and risk associated with investment in derivatives.	31
<b>Investor profile</b>	The recommended investment timeframe for this Fund is three (3) years or more. This Fund is suitable for investors who: <ul style="list-style-type: none"> <li>▪ have a medium-term to long-term investment horizon;</li> <li>▪ have a medium to high-risk profile; and/or</li> <li>▪ would like an investment that matches the performance of the FTSE Bursa Malaysia KLCI.</li> </ul>	
<b>Trustee</b>	HSBC (Malaysia) Trustee Berhad.	123
<b>Distribution policy</b>	Given its investment objective, the Fund is not expected to pay any distribution.	105
<b>Launch date</b>	8 June 2000.	
<b>Financial year-end</b>	30 September.	

CIMB-Principal Balanced Fund		Page
<b>Fund category / Type</b>	Balanced / Growth.	
<b>Investment objective</b>	To grow the value of investments over the long-term through investment in a diversified mix of Malaysian assets.	47
<b>Benchmark</b>	70% FBM100 + 30% CIMB Bank 1-Month Fixed Deposit Rate for performance comparison.  <i>Note: The benchmark is customised as such to align it closer to the structure of the portfolio and the objective of the Fund. The 1-Month Fixed Deposit Rate is reflective of the objective to provide capital stability to the Fund. Thus, investors are cautioned that the risk profile of the Fund is higher than investing in fixed deposits.</i>	47
<b>Investment policy and principal investment strategy</b>	The Fund aims to invest in a diversified portfolio of equities and fixed income investments. In line with its objective, the investment policy and strategy will be to maintain a balanced portfolio between equities and fixed income investments in the ratio of 70:30. The fixed income portion of the Fund is to provide some capital stability to the Fund whilst the equity portion will provide the added return in a rising market. The investments by the Fund in equity securities shall be between 50% to 70% (both inclusive) of its NAV and investments in fixed income securities and liquid assets shall not be less than 30% of its NAV with a minimum credit rating of “BBB3” or “P2” by RAM or equivalent rating by MARC or by local rating agency(ies) of the country or “BBB” by S&P or equivalent rating by Moody’s or Fitch. The Fund may invest up to 25% of its NAV in unrated fixed income securities.	47
<b>Principal risks</b>	Stock specific risk, credit (default) and counterparty risk and interest rate risk.	31
<b>Investor profile</b>	The recommended investment timeframe for this Fund is five (5) years or more. This Fund is suitable for investors who: <ul style="list-style-type: none"> <li>▪ have a long-term investment horizon;</li> <li>▪ want a balanced portfolio that includes equities and fixed income securities;</li> <li>▪ recognise that a well-diversified fund tends to produce a smoother return over time than a fund which invests in only one asset class such as equities; and/or</li> <li>▪ seek capital appreciation over the long-term.</li> </ul>	
<b>Trustee</b>	Maybank Trustees Berhad.	119
<b>Distribution policy</b>	Distribution (if any) is expected to be distributed once a year every January at the Manager’s discretion.	105
<b>Launch date</b>	12 March 1998.	
<b>Financial year-end</b>	31 December.	

CIMB-Principal Balanced Income Fund		Page
<b>Fund category / Type</b>	Balanced / Growth & Income.	
<b>Investment objective</b>	To seek long-term growth in capital and income by investing in all types of investments.	48
<b>Benchmark</b>	60% FBM100 + 40% CIMB Bank 1-Month Fixed Deposit Rate for performance comparison.  <i>Note: The benchmark is customised as such to align it closer to the structure of the portfolio and the objective of the Fund. The 1-Month Fixed Deposit Rate is reflective of the objective to provide a steady stream of distribution. Thus, investors are cautioned that the risk profile of the Fund is higher than investing in fixed deposits.</i>	48
<b>Investment policy and principal investment strategy</b>	The Fund aims to invest in a diversified portfolio of equities and fixed income investments. In line with the objective of the Fund, the investment policy and strategy of the Fund will be to maintain a balanced portfolio between equities and fixed income investments in the ratio of 60:40. The fixed income portion of the Fund is to provide some capital stability to the Fund whilst the equity portion will provide the added return in a rising market. The investments by the Fund in equity securities shall not exceed 60% of the NAV of the Fund and investments in fixed income securities and liquid assets shall not be less than 40% of its NAV with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC or by local rating agency(ies) of the country or "BBB" by S&P or equivalent rating by Moody's or Fitch. The Fund may invest up to 25% of its NAV in unrated fixed income securities. The fixed income portion will provide capital stability to the Fund whilst the equity portion will provide the added return in a rising market.	48
<b>Principal risks</b>	Stock specific risk, credit (default) and counterparty risk, interest rate risk and risk of investing in emerging markets.	31
<b>Investor profile</b>	The recommended investment timeframe for this Fund is five (5) years or more. This Fund is suitable for investors who: <ul style="list-style-type: none"> <li>▪ have a long-term investment horizon;</li> <li>▪ tend to be more conservative in investments;</li> <li>▪ seek capital appreciation with income being secondary;</li> <li>▪ want a balanced portfolio that includes equities and fixed income securities;</li> <li>▪ recognise that a well-diversified fund tends to produce a smoother return over time than a fund which invests in only one asset class such as equities; and/or</li> <li>▪ seek capital appreciation over the long-term.</li> </ul>	
<b>Trustee</b>	Universal Trustee (Malaysia) Berhad.	125
<b>Distribution policy</b>	The Manager has the discretion to distribute part or all of the Fund's distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Fund.	105
<b>Launch date</b>	10 August 1995.	
<b>Financial year-end</b>	31 August.	

CIMB-Principal Income Plus Balanced Fund		Page
<b>Fund category / Type</b>	Balanced / Income.	
<b>Investment objective</b>	To provide capital growth over the medium to long-term as well as income distributions.	49
<b>Benchmark</b>	40% FBM100 + 60% CIMB Bank 1-Month Fixed Deposit Rate for performance comparison.  <i>Note: The benchmark is customised as such to align it closer to the structure of the portfolio and the objective of the Fund. The 1-Month Fixed Deposit Rate is reflective of the objective to provide a steady stream of distribution. Thus, investors are cautioned that the risk profile of the Fund is higher than investing in fixed deposits.</i>	49
<b>Investment policy and principal investment strategy</b>	The Fund aims to invest in a diversified portfolio of primarily fixed income investments and some exposure in equities. The Fund may invest between 60% to 80% (both inclusive) of its NAV in debentures carrying a minimum credit rating of “BBB3” or “P2” rating by RAM or equivalent rating by MARC or by local rating agency(ies) of the country or “BBB” by S&P or equivalent rating by Moody’s or Fitch. Up to 25% of its NAV maybe invested in unrated fixed income securities. The Fund may also invest between 20% to 40% (both inclusive) of its NAV in equities. As part of its equities portfolio, the Fund may invest in stocks listed on the following foreign stock exchanges: Australia, the People’s Republic of China, Hong Kong SAR, India, New Zealand, Singapore, Sri Lanka, Thailand, Korea, the Philippines, Indonesia and Taiwan subject to a maximum of 12% of its NAV. In line with the objective of the Fund, the investment policy and strategy of the Fund is to invest primarily in fixed income securities in order to provide streams of income and some capital stability, whilst having some exposure to equities in order to provide growth and added return in a rising market.	49
<b>Principal risks</b>	Stock specific risk, credit (default) and counterparty risk, interest rate risk, country risk, currency risk and risk of investing in emerging markets.	32
<b>Investor profile</b>	The recommended investment timeframe for this Fund is three (3) years or more. This Fund is suitable for investors who: <ul style="list-style-type: none"> <li>▪ have a medium-term to long-term investment horizon;</li> <li>▪ want a diversified portfolio yet prefer a higher exposure to fixed income securities;</li> <li>▪ seek capital appreciation with income being secondary;</li> <li>▪ look for an investment which has the potential to grow in value over the medium-term to long-term and potentially offset the effects of inflation; and/or</li> <li>▪ look for a less volatile investment but can accept that returns may fluctuate over the short-term.</li> </ul>	
<b>Trustee</b>	Maybank Trustees Berhad.	119
<b>Distribution policy</b>	Distribution (if any) is expected to be distributed half-yearly in January and July at the Manager’s discretion*.	105
<b>Launch date</b>	12 March 1998.	
<b>Financial year-end</b>	31 December.	

*\*Note: Pursuant to the Master Deed, the Manager has the right to make provisions for reserves in respect of distribution of the Fund. If the distribution available is too small or insignificant, any distribution may not be of benefit to the Unit holders as the total cost to be incurred in any such distribution may be higher than the amount for distribution. The Manager has the discretion to decide on the amount to be distributed to the Unit holders.*

CIMB-Principal Bond Fund		Page
<b>Fund category / Type</b>	Bond / Income.	
<b>Investment objective</b>	To provide regular income as well as to achieve medium to long-term capital appreciation through investments primarily in Malaysian bonds.	50
<b>Benchmark</b>	Quant shop MGS Bond Index (Medium Sub-Index) for performance comparison.	50
<b>Investment policy and principal investment strategy</b>	Between 70% to 98% (both inclusive) of the Fund's NAV may be invested in debentures carrying at least a "BBB3" or "P2" rating by RAM or equivalent rating by MARC or by local rating agency(ies) of the country or "BBB" by S&P or equivalent rating by Moody's or Fitch. The Fund may invest up to 25% of its NAV in unrated debentures. The rest of the Fund is maintained in the form of liquid assets to meet any redemption payments to Unit holders. In line with its objective, the investment strategy and policy of the Fund is to invest in a diversified portfolio of approved fixed income securities consisting primarily of bonds, and aims to provide a steady stream of income.	50
<b>Principal risks</b>	Credit (default) and counterparty risk, interest rate risk, company specific risk and risk of investing in emerging markets.	32
<b>Investor profile</b>	<p>The recommended investment timeframe for this Fund is three (3) years or more. This Fund is suitable for investors who:</p> <ul style="list-style-type: none"> <li>▪ have a medium-term to long-term investment horizon;</li> <li>▪ want a diversified portfolio of fixed income securities;</li> <li>▪ want to receive a regular income* stream and maintain the value of their investment over the medium-term to long-term; and/or</li> <li>▪ look for a less volatile investment but can accept that returns may fluctuate over the short-term.</li> </ul> <p><b>Note:</b> *The regular income will be distributed in the form of cash or reinvested into additional units in the Fund at the NAV per unit on the distribution date.</p>	
<b>Trustee</b>	PB Trustee Services Berhad.	122
<b>Distribution policy</b>	Distribution (if any) is expected to be distributed once a year every January at the Manager's discretion*.	105
<b>Launch date</b>	15 November 1995.	
<b>Financial year-end</b>	31 December.	

**\*Note:** Pursuant to the Master Deed, the Manager has the right to make provisions for reserves in respect of distribution of the Fund. If the distribution available is too small or insignificant, any distribution may not be of benefit to the Unit holders as the total cost to be incurred in any such distribution may be higher than the amount for distribution. The Manager has the discretion to decide on the amount to be distributed to the Unit holders.

<b>Fund category / Type</b>	Bond / Income & Growth.	
<b>Investment objective</b>	To provide growth to the value of Unit holders' investments over the medium-term in a medium to long-term bond portfolio as well as to provide a source of regular income.	51
<b>Benchmark</b>	Quant shop MGS Bond Index (Medium Sub-Index) for performance comparison.	51
<b>Investment policy and principal investment strategy</b>	<p>The Fund may invest between 70% to 98% (both inclusive) of its NAV in debentures rated at least "BBB3" or "P3" by RAM or equivalent rating by MARC or by local rating agency(ies) of the country or "BB" by S&amp;P or equivalent rating by Moody's or Fitch, The Fund may also invest up to 25% of its NAV in unrated debentures and up to 10% of its NAV in warrants and options. The Fund may hold equity as a result of the conversion from the warrants. If opportunity arises and/or upon the maturity of warrants, the Manager may convert the warrants into equities, subject to a maximum of 10% of the Fund's NAV.</p> <p>As a strategic bond fund, the Fund may also allocate part of its fixed income portfolio to be invested in ICULS and/or exchangeable bonds listed on the Bursa Malaysia and other eligible exchanges, but subject to a maximum of 10% of its NAV. In line with its objective, the investment strategy and policy of the Fund is to invest in a diversified portfolio of approved fixed income securities aims to provide a steady stream of income while utilizing warrants and options to provide added returns when appropriate.</p>	51
<b>Principal risks</b>	Credit (default) and counterparty risk, interest rate risk, company specific risk, risks associated with investment in warrants and/or options and risk of investing in emerging markets.	33
<b>Investor profile</b>	<p>The recommended investment timeframe for this Fund is three (3) years or more. This Fund is suitable for investors who:</p> <ul style="list-style-type: none"> <li>▪ have a medium-term to long-term investment horizon;</li> <li>▪ want a diversified portfolio of investments that includes bonds;</li> <li>▪ seek for less volatile asset class with some exposure to equities;</li> <li>▪ seek capital appreciation over medium-term to long-term; and/or</li> <li>▪ can accept that returns may fluctuate over the short-term.</li> </ul>	
<b>Trustee</b>	Maybank Trustees Berhad.	119
<b>Distribution policy</b>	Distribution (if any) is expected to be distributed once a year every January at the Manager's discretion*.	105
<b>Launch date</b>	23 March 2004.	
<b>Financial year-end</b>	31 December.	

**\*Note:** Pursuant to the Master Deed, the Manager has the right to make provisions for reserves in respect of distribution of the Fund. If the distribution available is too small or insignificant, any distribution may not be of benefit to the Unit holders as the total cost to be incurred in any such distribution may be higher than the amount for distribution. The Manager has the discretion to decide on the amount to be distributed to the Unit holders.

CIMB-Principal Deposit Fund		Page
<b>Fund category / Type</b>	Money Market / Income.	
<b>Investment objective</b>	To generate regular income for investors through investments primarily in the money market.	52
<b>Benchmark</b>	CIMB Bank Overnight Rate for performance comparison.	52
	<i>Note: Given that the Fund is an income fund, the Fund shall benchmark itself against the overnight rate for performance comparison purpose only. Please note that the risk profile of the Fund is higher than investing in fixed deposits.</i>	
<b>Investment policy and principal investment strategy</b>	The Fund will place at least 95% of its NAV in Deposits. Up to 5% of the Fund's NAV may be invested in money market instruments and short-term debentures with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC or by local rating agency(ies) of the country or "BBB" by S&P or equivalent rating by Moody's or Fitch, all of which have a remaining maturity period of less than 365 days. The Fund will be actively managed. The investment policy and strategy is to invest in liquid and low risk short-term investments for capital preservation*.	52
	<b>Note:</b> <i>*The Fund is neither a capital guaranteed fund nor a capital protected fund.</i>	
<b>Principal risks</b>	Credit (default) and counterparty risk and interest rate risk.	33
<b>Investor profile</b>	The recommended investment timeframe for this Fund is one (1) year or more. The Fund can be used as a place to: <ul style="list-style-type: none"> <li>▪ invest the cash portion of an investment portfolio; and/or</li> <li>▪ "park" money aside while waiting to make another investment.</li> </ul> It is also suitable for investors who: <ul style="list-style-type: none"> <li>▪ have either a short-term to medium-term investment horizon;</li> <li>▪ desire a stream of income**; and/or</li> <li>▪ seek preservation of capital* and flexibility in investment.</li> </ul> <b>Note:</b> <i>*The Fund is neither a capital guaranteed fund nor a capital protected fund.</i> <i>**The stream of income will be automatically reinvested into additional units in the Fund at the NAV per unit of the Fund on the distribution date. Please refer to page 105 for further details.</i>	
<b>Trustee</b>	HSBC (Malaysia) Trustee Berhad.	123
<b>Distribution policy</b>	Monthly, depending on the level of income (if any) the Fund generates.	105
<b>Launch date</b>	8 July 2004.	
<b>Financial year-end</b>	31 August.	

CIMB-Principal Money Market Income Fund		Page
<b>Fund category / Type</b>	Money Market / Income.	
<b>Investment objective</b>	To provide a low risk investment option that normally earns higher interest than traditional bank accounts.	53
<b>Benchmark</b>	CIMB Bank Overnight Rate for performance comparison.	53
	<i>Note: Given that the Fund is an income fund, the Fund shall benchmark itself against the overnight rate for performance comparison purpose only. Please note that the risk profile of the Fund is higher than investing in fixed deposits.</i>	
<b>Investment policy and principal investment strategy</b>	<p>The Fund may place at least 90% of its NAV in Deposits as well as invest in money market instruments and short-term debentures with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC or by local rating agency(ies) of the country or "BBB" by S&amp;P or equivalent rating by Moody's or Fitch, all of which have a remaining maturity period of less than 365 days. Up to 10% of the Fund's NAV may be invested in short-term debentures which have a remaining maturity period of more than 365 days but less than 732 days. The Fund will be actively managed. The investment policy and strategy is to invest in liquid and low risk short-term investments for capital preservation*.</p> <p><b>Note:</b> *The Fund is neither a capital guaranteed fund nor a capital protected fund.</p>	53
<b>Principal risks</b>	Credit (default) and counterparty risk, interest rate risk and risk of investing in emerging markets.	34
<b>Investor profile</b>	<p>This recommended investment timeframe for this Fund is one (1) year or more. The Fund can be used as a place to:</p> <ul style="list-style-type: none"> <li>▪ invest the cash portion of an investment portfolio; and/or</li> <li>▪ "park" money aside while waiting to make another investment.</li> </ul> <p>It is also suitable for investors who:</p> <ul style="list-style-type: none"> <li>▪ have either a short-term to medium-term investment horizon;</li> <li>▪ desire a stream of income; and/or</li> <li>▪ seek preservation of capital* and flexibility in investment.</li> </ul> <p><b>Note:</b> *The Fund is neither a capital guaranteed fund nor a capital protected fund.</p>	
<b>Trustee</b>	Maybank Trustees Berhad.	119
<b>Distribution policy</b>	Quarterly, if any, within 14 days after the last day of each quarter.	105
<b>Launch date</b>	18 February 2004.	
<b>Financial year-end</b>	31 December.	

CIMB-Principal Asian Equity Fund		Page
<b>Fund category / Type</b>	Equity / Growth.	
<b>Investment objective</b>	To seek capital growth by investing primarily in equities and equity related instruments in the Asia ex Japan.	54
<b>Benchmark</b>	MSCI All Country Asia ex Japan Index for performance comparison.	54
<b>Investment policy and principal investment strategy</b>	<p>The Fund aims to achieve capital growth by investing primarily in equity securities of companies domiciled in, listed in, and/or have significant operations in Asia ex Japan. 'Significant operations' means major businesses of the company. For example, the Fund can invest in a company with significant business/operations in Thailand but listed on the New York Stock Exchange. The threshold for 'significant operations' would be if more than 30% of total group revenue derives from countries in Asia ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). Under normal market conditions, the Fund will invest primarily in common stocks. However, since the investment objective is more likely to be achieved through an investment policy that is flexible and adaptable, the Fund may seek investment opportunities in other types of transferable securities, including fixed income securities. The Fund may also invest in instruments issued by companies incorporated in the Asia ex Japan but listed or traded on exchanges outside Asia ex Japan.</p> <p>Asia ex Japan includes but is not limited to the following countries: Hong Kong SAR, India, Indonesia, Korea, the People's Republic of China, Pakistan, the Philippines, Singapore, Sri Lanka, Taiwan, Malaysia and Thailand. The investments of the Fund in the foreign markets are in accordance to the SC Guidelines. They are further subject to the limits permitted by BNM.</p> <p>The Fund will invest between 70% to 99.5% (both inclusive) of the Fund's NAV in equity securities in Asia ex Japan and other permissible investments and at least 0.5% of the Fund's NAV in liquid assets.</p> <p>The investment management function of this Fund has been delegated to CIMB-Principal (S) with the approval of the SC. CIMB-Principal (S) will be responsible for investing and managing the Fund in accordance with the investment objective and within the investment restrictions.</p>	54
<b>Principal risks</b>	Stock specific risk, country risk, currency risk, risk of investing in emerging markets and liquidity risk.	34
<b>Investor profile</b>	<p>The recommended investment timeframe for this Fund is five (5) years or more. This Fund is suitable for investors who:</p> <ul style="list-style-type: none"> <li>▪ have a long-term investment horizon;</li> <li>▪ want a well-diversified portfolio of Asian regional equities;</li> <li>▪ can accept that investment returns may fluctuate significantly over the short-term and may even be negative; and/or</li> <li>▪ seek capital appreciation over the long-term.</li> </ul>	
<b>Sub-Manager</b>	CIMB-Principal (S).	115
<b>Trustee</b>	Universal Trustee (Malaysia) Berhad.	125
<b>Distribution policy</b>	The Manager has the discretion to distribute part or all of the Fund's distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Fund.	105
<b>Launch date</b>	1 March 2006.	
<b>Financial year-end</b>	30 June.	

CIMB-Principal Australian Equity Fund		Page
<b>Fund category / Type</b>	Feeder Fund / Growth	
<b>Investment objective</b>	The Fund aims to achieve medium to long-term capital appreciation predominantly through investment in a portfolio of Australian securities.	55
<b>Benchmark</b>	S&P/ASX 200 Accumulation Index for performance comparison. <b>Note:</b> Investors to note that the risk profile of the Fund is different from the risk profile of the benchmark.	55
<b>Investment policy and principal investment strategy</b>	In order to achieve its objective, the Fund will invest at least 95% of its NAV in the Schroder Australian Equity Fund ('Target Fund'); an Australian-domiciled fund established on 3 March 1964 which invests in Australian equities, with an emphasis on investments in companies with sustainable competitive advantage in the Long-term. The Fund will also maintain up to maximum of 5% of its NAV in liquid assets.  <i>Information on the Target Fund:</i> Investment Manager/Management Company: Schroder Investment Management Australia Limited Regulatory Authority: Australian Securities and Investments Commission	55
<b>Principal risks</b>	Fund manager's risk, currency risk, liquidity risk and credit (default) and counterparty risk.	34
<b>Principal Risks of the Target Fund</b>	Target Fund risk, market risk, equities risk, international investments risk, currency risk, company risk and derivatives risk.	35
<b>Investor profile</b>	This Fund is suitable for investors who: want medium to long-term capital appreciation through investment in a portfolio of Australian securities.	
<b>Trustee</b>	HSBC (Malaysia) Trustee Berhad	123
<b>Distribution policy</b>	The Manager has the discretion to distribute part or all of the Fund's distributable income. The distribution (if any) may vary from period to period depending on the performance of the Fund.	105
<b>Launch date</b>	20 March 2010	
<b>Financial year-end</b>	30 September.	

CIMB-Principal China-India-Indonesia Equity Fund		Page
<b>Fund category / Type</b>	Equity / Growth.	
<b>Investment objective</b>	Aims to achieve medium to long-term capital appreciation by capitalizing on investments ideas in undervalued listed companies which are domiciled or have significant operations in China, India and Indonesia.	58
<b>Benchmark</b>	An equally weighted custom composite index of MSCI China Index, MSCI India Index and MSCI Indonesia Index for performance comparison.	58
<b>Investment policy and principal investment strategy</b>	<p>The Fund seeks to achieve its objective by investing primarily in equities and equity related securities of undervalued listed companies which are domiciled or have significant operations in China, India and Indonesia markets which offer attractive valuations and medium-term to long-term growth potential. The target companies are companies which are traded at attractive valuations and have the potential to ride on the future recovery and growth of China, India and Indonesia.</p> <p>The 'significant operations' means the major business of the company. The Fund can invest in companies not listed only in China, India and Indonesia, but also those that have major businesses in China, India and Indonesia markets. For example, the Fund can invest in a company with business/operations in China but listed on Hong Kong Stock Exchange. The threshold for 'significant operations' would be if more than 30% of total group revenue derive from China, India or Indonesia. Whereas, the 'attractive valuations' means stocks or companies that have valuations based on price/earnings or price-to-book ratio that are lower than the respective sector or country valuations at that time.</p> <p>The Fund will generally invest between 70% to 98% (both inclusive) of its NAV in equities with at least 2% of the Fund's NAV invested in liquid assets for liquidity purposes. The Fund's allocation to each of the aforesaid countries will vary depending on the Manager's and its delegate's outlook for each country.</p>	58
<b>Principal risks</b>	Stock specific risk, country risk, currency risk, liquidity risk and risk of investing in emerging markets.	36
<b>Investor profile</b>	<p>The recommended investment timeframe for this Fund is at least three (3) years. This Fund is suitable for investors who:</p> <ul style="list-style-type: none"> <li>▪ want to include three (3) major emerging markets in Asia for portfolio diversification;</li> <li>▪ wish to participate in the growth potential of the China, India and Indonesia markets;</li> <li>▪ are willing to accept higher risks in China, India and Indonesia markets; and/or</li> <li>▪ plan to hold their investment for the medium-term to long-term.</li> </ul>	
<b>Sub-Manager</b>	CIMB-Principal (S).	115
<b>Trustee</b>	Universal Trustee (Malaysia) Berhad.	125
<b>Distribution policy</b>	Given its investment objective, the Fund is not expected to pay any distribution.	105
<b>Launch date</b>	21 January 2010.	
<b>Financial year-end</b>	30 September.	

CIMB-Principal Greater China Equity Fund		Page
<b>Fund category / Type</b>	Feeder Fund / Growth.	
<b>Investment objective</b>	Aims to achieve medium to long-term capital growth primarily through investment in a portfolio of equity securities with exposure to the Greater China region consisting of the People's Republic of China, Hong Kong SAR and Taiwan.	59
<b>Benchmark</b>	The Fund adheres to the benchmark of the Target Fund. The benchmark of the Target Fund is the MSCI Golden Dragon Index for performance comparison.	59
<b>Investment policy and principal investment strategy</b>	<p>A Feeder Fund which invests at least 95% of its NAV in the Schroder ISF Greater China (a Luxembourg-domiciled fund established on 28 March 2002) which invests primarily in equity securities of the People's Republic of China, Hong Kong SAR and Taiwan companies. The Fund will also maintain up to a maximum of 5% of its NAV in liquid assets.</p> <p>Information on the Target Fund :</p> <hr/> <p>Management Company : Schroder Investment Management (Luxembourg) S.A.</p> <p>Investment Manager : Schroder Investment Management (Hong Kong) Limited</p> <p>Regulatory Authority : Luxembourg – Commission de Surveillance du Secteur Financier (“CSSF”).</p>	59
<b>Principal risks of the Fund</b>	Fund manager's risk, currency risk, counterparty risk and liquidity risk.	36
<b>Principal risks of the Target Fund</b>	Stock specific risk, country risk, liquidity risk, counterparty risk and currency risk.	36
<b>Investor profile</b>	<p>The recommended investment timeframe for this Fund is three (3) years or more. The Fund is suitable for investors who:</p> <ul style="list-style-type: none"> <li>▪ have a medium-term to long-term investment horizon;</li> <li>▪ wish to participate in the growth potential of the Greater China markets;</li> <li>▪ can accept that investment returns may fluctuate significantly over the short-term and may even be negative; and/or</li> <li>▪ seek capital appreciation over medium-term to long-term.</li> </ul>	
<b>Trustee</b>	HSBC (Malaysia) Trustee Berhad.	123
<b>Distribution policy</b>	Given its investment objective, the Fund is not expected to pay any distribution.	105
<b>Launch date</b>	12 June 2007.	
<b>Financial year-end</b>	30 April.	

## FEES & CHARGES

This table describes the charges that you may **directly** incur when you buy units of the Funds. The Application Fee may differ between distribution channels.

Maximum Application Fee (% of the NAV per unit)*	CWA (%)	IUTAs (%)
<b>Equity Funds</b>		
CIMB-Principal Equity Fund	6.50	6.50
CIMB-Principal Equity Aggressive Fund 1	6.50	6.50
CIMB-Principal Equity Aggressive Fund 3	5.00	5.00
CIMB-Principal Equity Growth & Income Fund	6.50	6.50
CIMB-Principal Equity Income Fund	6.50	6.50
CIMB-Principal Small Cap Fund	6.00	6.00
CIMB-Principal KLCI-Linked Fund	5.50	5.50
<b>Mixed Asset Funds</b>		
CIMB-Principal Balanced Fund	5.00	5.00
CIMB-Principal Balanced Income Fund	6.50	6.50
CIMB-Principal Income Plus Balanced Fund	5.00	5.00
<b>Fixed Income &amp; Money Market Funds</b>		
CIMB-Principal Bond Fund	2.00	2.00
CIMB-Principal Strategic Bond Fund	2.00	2.00
CIMB-Principal Deposit Fund	Nil	Nil
CIMB-Principal Money Market Income Fund	Nil	Nil
<b>Regional &amp; Global Funds</b>		
CIMB-Principal Asian Equity Fund	6.50	6.50
CIMB-Principal Australian Equity Fund	6.50	5.50
CIMB-Principal China-India-Indonesia Equity Fund	6.50	5.50
CIMB-Principal Greater China Equity Fund	5.50	5.50

\* Notwithstanding the maximum Application Fee disclosed above, you may negotiate with the distributors for lower charges. If you invest via EPF's Members Investment Scheme, you may be charged an Application Fee of up to 3.00% of the NAV per unit, or such other rate as may be determined by the EPF.

This table describes the other charges that you may **directly** incur when you redeem / transact units of the Funds.

	Withdrawal Fee (% of the NAV per unit)	Dilution fee	Switching Fee (RM)	Transfer Fee (RM)	Other charges payable directly by investors when purchasing or redeeming units
<b>Equity Funds</b>	Nil.	Nil.	Since switching is treated as a withdrawal from one (1) fund and an investment into another fund, you will be charged a Switching Fee equal to the difference (if any) between the Application Fees of these two (2) funds. Switching Fee will not be charged if the fund to be switched into has a lower Application Fee. In addition, the Manager imposes a RM100 administrative fee for every switch made out of a Fund. The Manager also has the discretion to waive the Switching Fee and/or administrative fees. For details please refer to page 94.	A maximum of RM50 may be charged for each transfer.	Any applicable bank charges and other bank fees incurred as a result of an investment or a redemption will be borne by the investor.
<b>Mixed Asset Funds</b>					
<b>Fixed Income &amp; Money Market Funds</b>					
<b>Regional &amp; Global Funds</b>					

All fees and charges payable by investor are subject to any applicable taxes (including but not limited to GST) and/or duties as may be imposed by the government or other authorities from time to time.

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

	Management Fee (% p.a. of the NAV of the Fund) [See NOTE 1]	Trustee Fee (% p.a. of the NAV of the Fund) [See NOTE 1]	Local custodian fee	Foreign custodian fee	Fund expenses	Other fees payable indirectly by investors	Commissions
<b>Equity Funds</b>					Only expenses that are directly related to the Funds can be charged to the Funds. Examples of relevant expenses are audit fee and tax agent's fee.	Save for <b>NOTE 5</b> , there are no other fees payable indirectly by investors.	Up to 100% of the Application Fee may be payable as commissions to Distributors. For Funds that do not charge any Application Fee, CIMB-Principal may pay a service fee as a portion from the Management Fee to Distributors who provide ongoing service to you.
CIMB-Principal Equity Fund #	1.50	<b>NOTE 3</b>	RM25,000 p.a.	Nil			
CIMB-Principal Equity Aggressive Fund 1	1.50	0.06	Nil	Nil			
CIMB-Principal Equity Aggressive Fund 3	1.85	0.08	<b>NOTE 2</b>	Nil			
CIMB-Principal Equity Growth & Income Fund	1.50	0.07	Nil	<b>NOTE 4</b>			
CIMB-Principal Equity Income Fund	1.85	0.06	Nil	<b>NOTE 4</b>			
CIMB-Principal Small Cap Fund	1.50	0.07	<b>NOTE 2</b>	Nil			
CIMB-Principal KLCI Linked Fund	0.95	0.07	Nil	Nil			
<b>Mixed Asset Funds</b>							
CIMB-Principal Balanced Fund	1.85	0.08	<b>NOTE 2</b>	Nil			
CIMB-Principal Balanced Income Fund	1.50	<b>NOTE 3</b>	RM20,000 p.a.	Nil			
CIMB-Principal Income Plus Balanced Fund	1.85	0.08	<b>NOTE 2</b>	<b>NOTE 4</b>			
<b>Fixed Income &amp; Money Market Funds</b>							
CIMB-Principal Bond Fund	1.00	0.05	<b>NOTE 2</b>	Nil			
CIMB-Principal Strategic Bond Fund	1.00	0.05	<b>NOTE 2</b>	<b>NOTE 4</b>			
CIMB-Principal Deposit Fund	0.45	0.04	Nil	Nil			
CIMB-Principal Money Market Income Fund	0.70	0.03	<b>NOTE 2</b>	Nil			
<b>Regional &amp; Global Funds</b>							
CIMB-Principal Asian Equity Fund	1.85	0.035	Nil	<b>NOTE 4</b>			
CIMB-Principal Australian Equity Fund	1.80	0.08	<b>NOTE 2</b>	Nil			
CIMB-Principal China-India-Indonesia Equity Fund	1.80	0.08	<b>NOTE 2</b>	<b>NOTE 4</b>			
CIMB-Principal Greater China Equity Fund	1.80	0.08	<b>NOTE 2</b>	Nil			

**NOTE 1** – The annual Management Fee and the annual Trustee Fee are accrued daily based on the NAV of the Fund and paid monthly.

**NOTE 2** – The Trustee Fee includes the local custodian fee but excludes the foreign sub-custodian fee (if any).

**NOTE 3** – The rates used for the computation of the annual Trustee Fee are as follows:

Size of the Fund	% p.a. of NAV of the Fund
First RM20 million	0.06
Next RM20 million	0.05
Next RM20 million	0.04
Next RM20 million	0.03
Next RM20 million	0.02
Any amount in excess of RM100 million	0.01

**NOTE 4 – Foreign custodian fee (applicable to EIF & AEF only)**

The foreign custodian fee (safekeeping fee and transaction fee, including out of pocket charges) is subject to a minimum of USD 500 per month per fund and is charged monthly in arrears.

The safekeeping fee ranges from a minimum of 0.04% p.a. to a maximum of 0.38% p.a. of the market value of the respective foreign portfolios, depending on the country invested.

The transaction fee is charged for every transaction and the amounts are dependent on the country invested.

**Foreign custodian fee (applicable to EGIF only)**

The foreign sub-custodian fee is dependent on the country invested and is charged monthly in arrears.

**Foreign custodian fee (applicable to IPBF, CIIEF & SBF only)**

The foreign sub-custodian fee is dependent on the country invested and is charged monthly in arrears.

**NOTE 5 – Other costs of investing in feeder funds (applicable to CAEF & GCEF only)**

There are other fees indirectly incurred by a feeder fund such as annual custodian fees and transaction fees of the Target Fund. As such, Unit holders of a feeder fund are indirectly bearing the custodian fees and transaction fees charged at the Target Fund level.

**Dilution fee (applicable to CAEF & GCEF only)**

A dilution fee may be charged in relation to a Fund's application for and/or redemption of units in collective investment schemes managed by other fund managers.

This table describes the fees and charges charged by the Target Fund for **CAEF** (for further details, please refer to page 56):

No.	Fees/Expenses	%
1	Management fee	0.62% per annum of the NAV of the investment in the Target Fund. <b>Note:</b> There is no double charging of management fee. The management fee charged by the Target Fund will be paid out of the Management Fee charged by the Manager at the Fund level. Please refer to page 94 for further details on the management fee charged for the Fund.
2	Transaction cost*	0.30% on application 0.30% on withdrawal. <b>Note:</b> There is no double charging of the transaction cost at the Fund level.
3	Other expenses	Other fees and charges include but are not limited to: custodian transaction fees, bank charges, and abnormal expenses (which are costs that are generally not incurred during the day-to-day administration of the fund and are not necessarily incurred in any given year, such as costs of Unit holder meetings or costs associated with making changes to the constitution).

\* Transaction cost refers to buy/sell spread; it is the difference between the application and withdrawal price of the units. The difference between the application and the withdrawal prices represents an allowance for transaction costs such as brokerage, buy/sell spreads in underlying securities, government taxes, duties and levies incurred when acquiring or disposing part or all of a Target Fund's underlying investments.

This table describes the fees and charges charged by the Target Fund for **GCEF** (for further details, please refer to page 60):

No.	Fees/Expenses	%
1	Management fee	1.50% of its the net asset value. <b>Note:</b> There is no double charging of management fee. The management fee charged by the Target Fund will be paid out of the Management Fee charged by the Manager at the Fund level. Please refer to page 94 for further details on the management fee charged for the Fund.
2	Other expenses	The Target Fund manager will pay all charges and expenses incurred in the operation of the Target Fund manager including, without limitation, taxes, expenses for legal and auditing services, brokerage, governmental duties and charges, settlement costs and bank charges, stock exchange listing expenses and fees due to supervisory authorities in various countries, including the costs incurred in obtaining and maintaining registrations so that the shares of the Target Fund manager may be marketed in different countries; expenses incurred in the issue, switch and redemption of shares and payment of dividends, registration fees, insurance, interest and the costs of computation and publication of share prices and postage, telephone, facsimile transmission and the use of other electronic communication; costs of printing proxies, statements, share certificates or confirmations of transactions, shareholders' reports, prospectuses and supplementary documentation, explanatory brochures and any other periodical information or documentation.

All fees and charges payable by you are subject to any applicable taxes (including but not limited to GST) and/or duties as may be imposed by the government or other authorities from time to time.

We have the discretion to amend the amount, rate and/or terms and conditions for the above-mentioned fees, charges and expenses from time to time, subject to the requirements stipulated in the Deeds of the Funds and/or SC Guidelines. Where necessary, the amendments will be notified to the Trustee. We will communicate to you if there are any amendments to the fees and charges.

## TRANSACTION INFORMATION

	Minimum initial investment <sup>#</sup> (RM)	Minimum additional investment <sup>#</sup> (RM)	Minimum withdrawal* (units)	Minimum balance (units)	Regular Savings Plan (RSP) <sup>^</sup>	
					Minimum initial investment <sup>#</sup> (RM)	Minimum additional investment <sup>#</sup> (RM)
<b>Equity Funds</b>						
CIMB-Principal Equity Fund	500	200	200	250	500	200
CIMB-Principal Equity Aggressive Fund 1	500	200	400	500	500	200
CIMB-Principal Equity Aggressive Fund 3	500	200	400	500	500	200
CIMB-Principal Equity Growth & Income Fund	500	200	200	250	500	200
CIMB-Principal Equity Income Fund	500	200	200	250	500	200
CIMB-Principal Small Cap Fund	500	200	800	1,000	500	200
CIMB-Principal KLCI-Linked Fund	500	200	400	250	500	200
<b>Mixed Asset Funds</b>						
CIMB-Principal Balanced Fund	500	200	400	500	500	200
CIMB-Principal Balanced Income Fund	500	200	200	250	500	200
CIMB-Principal Income Plus Balanced Fund	500	200	400	500	500	200
<b>Fixed Income &amp; Money Market Funds</b>						
CIMB-Principal Bond Fund	2,000	500	500	1,000	2,000	500
CIMB-Principal Strategic Bond Fund	2,000	500	500	1,000	2,000	500
CIMB-Principal Deposit Fund	10,000	1,000	1,000	5,000	10,000	1,000
CIMB-Principal Money Market Income Fund	10,000	1,000	1,000	5,000	N/A	N/A
<b>Regional &amp; Global Funds</b>						
CIMB-Principal Asian Equity Fund	500	200	400	500	500	200
CIMB-Principal Australian Equity Fund	500	200	2,000	2,000	500	200
CIMB-Principal China-India-Indonesia Equity Fund	500	200	2,000	2,000	500	200
CIMB-Principal Greater China Equity Fund	500	200	400	500	500	200

<sup>#</sup> The amount includes any applicable fees and charges, such as sales charge (if any), which are subject to any applicable taxes (including but not limited to GST).

\* such other amount as the Manager may decide from time to time and any withdrawal is subject to the minimum balance being maintained. For details please refer to page 102.

<sup>^</sup> The Regular Savings Plan ("RSP") allows you to make regular monthly investments directly from your account held with a bank approved by CIMB-Principal or Distributors.

**Note:**

- You may request for a lower amount or number of units when purchasing units (or additional units), which will be at our discretion.
- The minimum initial investment for EPF's Members Investment Scheme shall be RM1,000 or as per the amount stated under the minimum initial investment column of the above table, whichever is higher. The list of Funds that is allowed under the EPF's Members Investment Scheme will be updated on the website at <http://www.cimb-principal.com.my> as and when EPF revises the list. Alternatively, you may contact our **Customer Care Centre** at (03) 7718 3100 for further information.
- We reserves the right to change the stipulated amounts of the above table from time to time.
- There is no restriction on the frequency of withdrawals.
- There is no exit and re-entry option.

	Minimum switching amount	Transfer facility	Cooling-off period
Equity Funds	Switching will be conducted based on the value of your investment in a Fund. The minimum amount for a switch must be equivalent to the minimum withdrawal amount applicable to a Fund or such amounts as the Manager may decide from time to time. Please note that the minimum amount for a switch must also meet the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the fund to be switched into. Unit holders must at all times maintain at least the minimum balance required for a Fund (please refer to "Withdrawals" and "Minimum Withdrawals and Balance" in page 102) to stay invested in that Fund.	Transfer of unit holdings is allowed but this is subject to conditions stipulated in the respective Deeds.	Six (6) Business Days from the date the application form is received and accepted by the Manager or the Distributors from the first time investor.  For details, please refer to page 103.
Mixed Asset Funds			
Fixed Income & Money Market Funds			
Regional & Global Funds			

## OTHER INFORMATION

### DEEDS

This table describes the Deeds governing the Funds.

	Deeds
Equity Funds	<ul style="list-style-type: none"> <li>• Master Deed dated 15 May 2008</li> <li>• First Supplemental Deed dated 25 June 2008</li> <li>• Second Supplemental Master Deed dated 25 June 2008</li> <li>• Third Supplemental Master Deed dated 14 July 2008</li> <li>• Fourth Supplemental Master Deed dated 18 March 2009</li> <li>• Fifth Supplemental Master Deed dated 16 July 2009</li> <li>• Sixth Supplemental Master Deed dated 16 December 2009</li> <li>• Seventh Supplemental Master Deed dated 11 February 2010</li> <li>• Eighth Supplemental Master Deed dated 14 June 2010</li> <li>• Ninth Supplemental Master Deed dated 25 November 2010</li> <li>• Thirteenth Supplemental Master Deed dated 26 June 2012</li> <li>• Fourteenth Supplemental Master Deed dated 21 September 2012</li> <li>• Eighteenth Supplemental Master Deed dated 25 March 2015.</li> <li>• Nineteenth Supplemental Master Deed dated 11 May 2016.</li> </ul>
Mixed Asset Funds	
Fixed Income & Money Market Funds	
Regional & Global Funds	

For KLF  
The Deeds that governs the Fund are:

- Master Deed Constituting Index Funds dated 30 November 2007
- First Supplemental Master Deed dated 25 June 2008
- Second Supplemental Master Deed dated 14 July 2008
- Third Supplemental Deed dated 16 July 2009
- Fourth Supplemental Deed dated 26 July 2013
- Fifth Supplemental Deed dated 23 March 2015.

### AVENUES FOR ADVICE AVAILABLE TO PROSPECTIVE INVESTORS

If you have any questions about the information in this Master Prospectus or would like to know more about investing in any of the Funds, please contact our **Customer Care Centre** at **(03) 7718 3100** between 8:30 a.m. and 5:30 p.m. (Malaysian time), Mondays to Fridays (except on Selangor public holidays) or you can email us at **service@cimb-principal.com.my**.

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

**All fees and charges payable by you and/or the Fund are subject to any applicable taxes (including but not limited to GST) and/or duties as may be imposed by the government or other authorities (if any) from time to time.**

**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 Deeds of the Funds and/or SC Guidelines. Where necessary, the amendments will be notified to the Trustee. We will communicate to you if there are any amendments to the fees and charges.**

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

**For information concerning certain risk factors which should be considered by prospective investors, see "Risk Factors" commencing on page 29.**

**Past performance of the Fund is not an indication of its future performance.**

# RISK FACTORS

## GENERAL RISKS OF INVESTING IN UNIT TRUST FUNDS

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

### Returns not guaranteed

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

### General market environment risk

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

### Inflation risk

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

### Manager's risk

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

### Loan financing risk

This risk occurs when investors take a loan/financing to finance their investment. The inherent risk of investing with borrowed money includes investors being unable to service the loan repayments. In the event units are used as collateral, an investor may be required to top-up the investors' existing installment if the prices of units fall below a certain level due to market conditions. Failing which, the units may be sold at a lower net asset value per unit as compared to the net asset value per unit at the point of purchase towards settling the loan.

*Unit Trust Loan Financing Risk Disclosure Statement Form annexed as Appendix I hereto sets out the risks in detail.*

## SPECIFIC RISKS ASSOCIATED WITH THE INVESTMENT PORTFOLIO OF THE FUNDS

There are specific risks associated with the investment portfolio of each Fund. The key ones include but are not limited to the following:

### SECTION 1: EQUITY FUNDS

#### 1.1 CIMB-Principal Equity Fund

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##### Stock specific risk

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

#### 1.2 CIMB-Principal Equity Aggressive Fund 1

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##### Stock specific risk

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

##### Risks associated with investment in warrants and/or options

There are inherent risks associated with investment in warrants and/or options. The value of warrants and/or options are influenced by the current market price of the underlying security, the exercise price of the contract, the time to expiration of the contract and the estimate of the future volatility of the underlying security's price over the life of the contract. Like securities, we will undertake fundamental research and analysis on these instruments with an aim to mitigate its risks.

#### 1.3 CIMB-Principal Equity Aggressive Fund 3

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##### Stock specific risk

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

## 1.4 CIMB-Principal Equity Growth & Income Fund

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### **Stock specific risk**

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

### **Country risk**

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

We have obtained the necessary licenses/permits for investments in countries that require such licenses/permits. In the event that such licenses/permits to invest are revoked or not renewed, we would seek to invest in other accessible markets.

### **Currency risk**

As the investments of the Fund may be denominated in currencies other than the base currency, any fluctuation in the exchange rate between the base currency 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, this will have an adverse effect on the NAV of the Fund in the base currency 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.

### **Risk of investing in emerging markets**

In comparison with investments in the developed markets, investment in emerging markets may involve a higher degree of risk due to the greater possibility of political or economic instability and societal tensions. Emerging markets are markets that are, by definition, "in a state of transition" and are therefore exposed to rapid political change and economic declines. The securities in the emerging markets may face a higher risk of price drop while the exchange rates in these emerging markets are generally more volatile than those of developed markets. As such, you should be aware that investments in emerging markets may subject to higher price volatility and therefore will tend to have a higher investment risk that will affect the Fund's growth. We attempt to mitigate these risks through active asset allocation management and diversification, in addition to our continuous bottom-up and top-down research and analysis.

## 1.5 CIMB-Principal Equity Income Fund

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### **Stock specific risk**

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

### **Credit (default) and counterparty risk**

Credit risk relates to the creditworthiness of the issuers of the debt instruments and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the debt instrument. In the case of rated debt instruments, this may lead to a credit downgrade. Default risk relates to the risk that an issuer of a debt instrument either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the debt instruments. This could adversely affect the value of the fund. We aim to mitigate this risk by performing bottom-up and top-down credit research and analysis to determine the creditworthiness of its counterparties, and impose investment limits on exposures for counterparties with different credit profiles as a precautionary step to limit any loss that may arise directly or indirectly as a result of a defaulted transaction.

### **Interest rate risk**

Interest rate risk refers to the impact of interest rate changes on the valuation of debt instruments. When interest rates rise, debt instruments prices generally decline and this may lower the market value of the fund's investment in debt instruments. In managing the debt, we take into account the coupon rate and time to maturity of the debt instruments with an aim to mitigate the interest rate risk.

### **Country risk**

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

We have obtained the necessary licenses/permits for investments in countries that require such licenses/permits. In the event that such licenses/permits to invest are revoked or not renewed, we would seek to invest in other accessible markets.

### **Currency risk**

As the investments of the Fund may be denominated in currencies other than the base currency, any fluctuation in the exchange rate between the base currency 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, this will have an adverse effect on the NAV of the Fund in the base currency 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.

### **Risk of investing in emerging markets**

In comparison with investments in the developed markets, investment in emerging markets may involve a higher degree of risk due to the greater possibility of political or economic instability and societal tensions. Emerging markets are markets that are, by definition, "in a state of transition" and are therefore exposed to rapid political change and economic declines. The securities in the emerging markets may face a higher risk of price drop while the exchange rates in these emerging markets are generally more volatile than those of

developed markets. As such, you should be aware that investments in emerging markets may subject to higher price volatility and therefore will tend to have a higher investment risk that will affect the Fund's growth. We attempt to mitigate these risks through active asset allocation management and diversification, in addition to our continuous bottom-up and top-down research and analysis.

## **1.6 CIMB-Principal Small Cap Fund**

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### **Stock specific risk**

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

### **Liquidity risk**

Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the Fund holds assets that are illiquid, or are difficult to dispose of, the value of the Fund will be negatively affected when it has to sell such assets at unfavourable prices.

## **1.7 CIMB-Principal KLCI-Linked Fund**

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### **Lack of discretion by Manager to adapt to market changes**

As this is an index tracking fund, the fund intends to replicate the performance of its benchmark index. We have limited discretion to alter the security allocation. Therefore, we may not dispose a poorly performed index constituents even if it may adversely affect the fund's value and its unit price.

### **Risk associated with investment in derivatives**

As the Fund may invest in derivatives, it may be subject to risks associated with such investments. Investments in derivatives may require the deposit of initial margin and additional deposit of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, the Fund's investments may be liquidated at a loss.

Therefore, it is essential that such investments in derivatives be monitored closely. The Manager has the necessary controls for investment in derivatives and has in place systems to monitor any derivative positions for the Fund.

## **SECTION 2: MIXED ASSET FUNDS**

### **2.1 CIMB-Principal Balanced Fund**

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#### **Stock specific risk**

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

#### **Credit (default) and counterparty risk**

Credit risk relates to the creditworthiness of the issuers of the debt instruments and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the debt instrument. In the case of rated debt instruments, this may lead to a credit downgrade. Default risk relates to the risk that an issuer of a debt instrument either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the debt instruments. This could adversely affect the value of the fund. We aim to mitigate this risk by performing bottom-up and top-down credit research and analysis to determine the creditworthiness of its counterparties, and impose investment limits on exposures for counterparties with different credit profiles as a precautionary step to limit any loss that may arise directly or indirectly as a result of a defaulted transaction.

#### **Interest rate risk**

Interest rate risk refers to the impact of interest rate changes on the valuation of debt instruments. When interest rates rise, debt instruments prices generally decline and this may lower the market value of the fund's investment in debt instruments. In managing the debt, we take into account the coupon rate and time to maturity of the debt instruments with an aim to mitigate the interest rate risk.

### **2.2 CIMB-Principal Balanced Income Fund**

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#### **Stock specific risk**

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

#### **Credit (default) and counterparty risk**

Credit risk relates to the creditworthiness of the issuers of the debt instruments and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the debt instrument. In the case of rated debt instruments, this may lead to a credit downgrade. Default risk relates to the risk that an issuer of a debt instrument either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the debt instruments. This could adversely affect the value of the fund. We aim to mitigate this risk by performing bottom-up and top-down credit research and analysis to determine the creditworthiness of its counterparties, and impose investment limits on exposures for counterparties with different credit profiles as a precautionary step to limit any loss that may arise directly or indirectly as a result of a defaulted transaction.

**Interest rate risk**

Interest rate risk refers to the impact of interest rate changes on the valuation of debt instruments. When interest rates rise, debt instruments prices generally decline and this may lower the market value of the fund's investment in debt instruments. In managing the debt, we take into account the coupon rate and time to maturity of the debt instruments with an aim to mitigate the interest rate risk.

**Risk of investing in emerging markets**

In comparison with investments in the developed markets, investment in emerging markets may involve a higher degree of risk due to the greater possibility of political or economic instability and societal tensions. Emerging markets are markets that are, by definition, "in a state of transition" and are therefore exposed to rapid political change and economic declines. The securities in the emerging markets may face a higher risk of price drop while the exchange rates in these emerging markets are generally more volatile than those of developed markets. As such, you should be aware that investments in emerging markets may subject to higher price volatility and therefore will tend to have a higher investment risk that will affect the Fund's growth. We attempt to mitigate these risks through active asset allocation management and diversification, in addition to our continuous bottom-up and top-down research and analysis.

## 2.3 CIMB-Principal Income Plus Balanced Fund

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**Stock specific risk**

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

**Credit (default) and counterparty risk**

Credit risk relates to the creditworthiness of the issuers of the debt instruments and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the debt instrument. In the case of rated debt instruments, this may lead to a credit downgrade. Default risk relates to the risk that an issuer of a debt instrument either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the debt instruments. This could adversely affect the value of the fund. We aim to mitigate this risk by performing bottom-up and top-down credit research and analysis to determine the creditworthiness of its counterparties, and impose investment limits on exposures for counterparties with different credit profiles as a precautionary step to limit any loss that may arise directly or indirectly as a result of a defaulted transaction.

**Interest rate risk**

Interest rate risk refers to the impact of interest rate changes on the valuation of debt instruments. When interest rates rise, debt instruments prices generally decline and this may lower the market value of the fund's investment in debt instruments. In managing the debt, we take into account the coupon rate and time to maturity of the debt instruments with an aim to mitigate the interest rate risk.

**Country risk**

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

We have obtained the necessary licenses/permits for investments in countries that require such licenses/permits. In the event that such licenses/permits to invest are revoked or not renewed, we would seek to invest in other accessible markets.

**Currency risk**

As the investments of the Fund may be denominated in currencies other than the base currency, any fluctuation in the exchange rate between the base currency 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, this will have an adverse effect on the NAV of the Fund in the base currency 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.

**Risk of investing in emerging markets**

In comparison with investments in the developed markets, investment in emerging markets may involve a higher degree of risk due to the greater possibility of political or economic instability and societal tensions. Emerging markets are markets that are, by definition, "in a state of transition" and are therefore exposed to rapid political change and economic declines. The securities in the emerging markets may face a higher risk of price drop while the exchange rates in these emerging markets are generally more volatile than those of developed markets. As such, you should be aware that investments in emerging markets may subject to higher price volatility and therefore will tend to have a higher investment risk that will affect the Fund's growth. We attempt to mitigate these risks through active asset allocation management and diversification, in addition to our continuous bottom-up and top-down research and analysis.

## SECTION 3: FIXED INCOME & MONEY MARKET FUNDS

### 3.1 CIMB-Principal Bond Fund

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**Credit (default) and counterparty risk**

Credit risk relates to the creditworthiness of the issuers of the debt instruments and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the debt instrument. In the case of rated debt instruments, this may lead to a credit downgrade. Default risk relates to the risk that an issuer of a debt instrument either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the debt instruments. This could adversely affect the value of the fund. We aim to mitigate this risk by performing bottom-up and top-down credit research and analysis to determine the creditworthiness of its counterparties, and impose investment limits on exposures for counterparties with different credit profiles as a precautionary step to limit any loss that may arise directly or indirectly as a result of a defaulted transaction.

**Interest rate risk**

Interest rate risk refers to the impact of interest rate changes on the valuation of debt instruments. When interest rates rise, debt instruments prices generally decline and this may lower the market value of the fund's investment in debt instruments. In managing the debt, we take into account the coupon rate and time to maturity of the debt instruments with an aim to mitigate the interest rate risk.

**Company specific risk**

The investments of the Fund in companies may be affected by any company-specific changes such as the company's business situation, unforeseen entry of a new competitor into the market or the company's credit rating being downgraded. This may cause the price of any issuance by that company to fall and in turn may cause the net asset value of the Fund to fall.

**Risk of investing in emerging markets**

In comparison with investments in the developed markets, investment in emerging markets may involve a higher degree of risk due to the greater possibility of political or economic instability and societal tensions. Emerging markets are markets that are, by definition, "in a state of transition" and are therefore exposed to rapid political change and economic declines. The securities in the emerging markets may face a higher risk of price drop while the exchange rates in these emerging markets are generally more volatile than those of developed markets. As such, you should be aware that investments in emerging markets may subject to higher price volatility and therefore will tend to have a higher investment risk that will affect the Fund's growth. We attempt to mitigate these risks through active asset allocation management and diversification, in addition to our continuous bottom-up and top-down research and analysis.

### 3.2 CIMB-Principal Strategic Bond Fund

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**Credit (default) and counterparty risk**

Credit risk relates to the creditworthiness of the issuers of the debt instruments and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the debt instrument. In the case of rated debt instruments, this may lead to a credit downgrade. Default risk relates to the risk that an issuer of a debt instrument either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the debt instruments. This could adversely affect the value of the fund. We aim to mitigate this risk by performing bottom-up and top-down credit research and analysis to determine the creditworthiness of its counterparties, and impose investment limits on exposures for counterparties with different credit profiles as a precautionary step to limit any loss that may arise directly or indirectly as a result of a defaulted transaction.

**Interest rate risk**

Interest rate risk refers to the impact of interest rate changes on the valuation of debt instruments. When interest rates rise, debt instruments prices generally decline and this may lower the market value of the fund's investment in debt instruments. In managing the debt, we take into account the coupon rate and time to maturity of the debt instruments with an aim to mitigate the interest rate risk.

**Company specific risk**

The investment of the Fund in companies may be affected by any company-specific changes such as the company's business situation, unforeseen entry of a new competitor into the market or the company's credit rating being downgraded. This may cause the price of any issuance by that company to fall and in turn may cause the net asset value of the Fund to fall.

**Risks associated with investment in warrants and/or options**

There are inherent risks associated with investment in warrants and/or options. The value of warrants and/or options are influenced by the current market price of the underlying security, the exercise price of the contract, the time to expiration of the contract and the estimate of the future volatility of the underlying security's price over the life of the contract. Like securities, we will undertake fundamental research and analysis on these instruments with an aim to mitigate its risks.

**Risk of investing in emerging markets**

In comparison with investments in the developed markets, investment in emerging markets may involve a higher degree of risk due to the greater possibility of political or economic instability and societal tensions. Emerging markets are markets that are, by definition, "in a state of transition" and are therefore exposed to rapid political change and economic declines. The securities in the emerging markets may face a higher risk of price drop while the exchange rates in these emerging markets are generally more volatile than those of developed markets. As such, you should be aware that investments in emerging markets may subject to higher price volatility and therefore will tend to have a higher investment risk that will affect the Fund's growth. We attempt to mitigate these risks through active asset allocation management and diversification, in addition to our continuous bottom-up and top-down research and analysis.

### 3.3 CIMB-Principal Deposit Fund

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**Credit (default) and counterparty risk**

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

**Interest rate risk**

Interest rate risk refers to the impact of the changes in the interest rate environment that would affect the performance of the Fund. When the interest rates decrease, financial institutions may offer deposits with lower interest rates. As such, this will reduce the potential returns of future deposits which in turn will reduce the potential returns of the Fund.

**Investors should note that investment in the Fund is not the same as placing funds in a deposit with a financial institution. There are risks involved and investors should rely on their own evaluation to assess the merits and risks when investing in the Fund.**

## 3.4 CIMB-Principal Money Market Income Fund

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### **Credit (default) and counterparty risk**

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

### **Interest rate risk**

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

### **Risk of investing in emerging markets**

In comparison with investments in the developed markets, investment in emerging markets may involve a higher degree of risk due to the greater possibility of political or economic instability and societal tensions. Emerging markets are markets that are, by definition, "in a state of transition" and are therefore exposed to rapid political change and economic declines. The securities in the emerging markets may face a higher risk of price drop while the exchange rates in these emerging markets are generally more volatile than those of developed markets. As such, you should be aware that investments in emerging markets may subject to higher price volatility and therefore will tend to have a higher investment risk that will affect the Fund's growth. We attempt to mitigate these risks through active asset allocation management and diversification, in addition to our continuous bottom-up and top-down research and analysis.

**Investors should note that investment in the Funds is not the same as placing funds in a deposit with a financial institution. There are risks involved and investors should rely on their own evaluation to assess the merits and risks when investing in the Fund.**

## SECTION 4: REGIONAL & GLOBAL FUNDS

### 4.1 CIMB-Principal Asian Equity Fund

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#### **Stock specific risk**

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

#### **Country risk**

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

We have obtained the necessary licenses/permits for investments in countries that require such licenses/permits. In the event that such licenses/permits to invest are revoked or not renewed, we would seek to invest in other accessible markets.

#### **Currency risk**

As the investments of the Fund may be denominated in currencies other than the base currency, any fluctuation in the exchange rate between the base currency 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, this will have an adverse effect on the NAV of the Fund in the base currency 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.

#### **Risk of investing in emerging markets**

In comparison with investments in the developed markets, investment in emerging markets may involve a higher degree of risk due to the greater possibility of political or economic instability and societal tensions. Emerging markets are markets that are, by definition, "in a state of transition" and are therefore exposed to rapid political change and economic declines. The securities in the emerging markets may face a higher risk of price drop while the exchange rates in these emerging markets are generally more volatile than those of developed markets. As such, you should be aware that investments in emerging markets may subject to higher price volatility and therefore will tend to have a higher investment risk that will affect the Fund's growth. We attempt to mitigate these risks through active asset allocation management and diversification, in addition to our continuous bottom-up and top-down research and analysis.

#### **Liquidity risk**

Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the Fund holds assets that are illiquid, or are difficult to dispose of, the value of the Fund will be negatively affected when it has to sell such assets at unfavourable prices.

### 4.2 CIMB-Principal Australian Equity Fund

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#### **PRINCIPAL RISKS OF THE FUND:**

##### **Fund manager's risk**

The Fund invests into a collective investment scheme managed by another manager, i.e. the Target Fund. Therefore, the Target Fund's manager has absolute discretion over the Target Fund's investment technique, operational controls and management. In the event of mismanagement of the Target Fund, the NAV of the Fund, which invest into the Target Fund would be affected negatively. Although the

probability of such occurrence is minute, should the situation arise, we reserves the right to seek an alternative collective investment scheme that is consistent with the objective of this Fund, subject to your approval.

#### **Currency risk**

As the investments of the Fund may be denominated in currencies other than the base currency, any fluctuation in the exchange rate between the base currency 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, this will have an adverse effect on the NAV of the Fund in the base currency 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.

#### **Liquidity risk**

Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the Fund holds assets that are illiquid, or are difficult to dispose of, the value of the Fund will be negatively affected when it has to sell such assets at unfavourable prices.

#### **Credit (default) and counterparty risk**

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

### **PRINCIPAL RISKS OF THE TARGET FUND:**

#### **Target Fund risk**

The following risks are inherent in any managed fund:

- The investment team may change, which may affect the Target Fund's future performance.
- Investing in the Target Fund may result in a different outcome to investing directly because of the application of tax laws to the Target Fund, income or capital gains accrued in the Target Fund, the calculation of any performance fees and the impact of investments into and withdrawals out of the Target Fund by other investors.
- The costs of investment may increase through an increase in fees and costs. If this occurs, Schroders Australia will provide at least thirty (30) days' prior written notice of any changes.
- The Target Fund may be terminated.
- Investing in the Target Fund with a smaller number of investments may lead to more volatile returns than investing in the Target Fund with a more diversified portfolio.

As stated above, as a result of these risks, the value of an investment in the Target Fund and the level of distributions may change.

#### **Market risk**

Market risk is the possibility that the market has negative returns over short or even extended periods. Different asset classes are exposed to different levels of market risks – for instance, cash investments have the lowest market risk whereas equities have higher market risks. The returns of individual securities in any asset sector would normally be determined by a combination of the market return and returns specific to each security. Market risk also relates to the risk that the value of investments can be directly or indirectly affected by changes in legislation, economic policy, political events and infrastructure change. These factors can affect Australian market.

#### **Equities risk**

Over the long-term, equities have generally outperformed other asset classes, however returns can be volatile. Equity performance will generally be based on, amongst other things, the underlying strength of the cash flows, balance sheet and management of a company. Also affecting the performance of equity markets are changes in global economic conditions (i.e. growth and inflation), interest rates and bond yields.

#### **International investments risk**

International investments will give exposure to different (or potentially greater) risks that are not typically associated with investments in Australia. International investments may be more affected by political and economic uncertainties, lower regulatory supervision, movements in foreign currency and interest rates, and more volatile, less liquid markets. Specific risks associated with international investments include but are not limited to movements in exchange rates and the imposition or tightening of exchange controls or other limitations on repatriation of foreign capital and changes in the relative values of the currencies in which the Target Fund's assets are denominated.

#### **Currency risk**

The base currency of the Target Fund is AUD. As the investments of the Target Fund may be quoted and/or priced in currencies other than AUD, any unfavorable fluctuation in the exchange rate between the AUD and the currencies in which the investments is quoted and/or priced may have an adverse effect on the value of these investments when expressed in AUD. Investors should note that any gains or losses arising from the movement of the foreign currencies against AUD may therefore increase or decrease the capital gains or capital loss of the investment.

#### **Company risk**

An investment such as a share or corporate bond in any company is exposed to changes within that company, or to its business environment. These events include changes to operations and/or management, changes to product distribution, legal action against the company or profit and loss announcements. These changes may affect the value of the shares or fixed interest securities (and thus the value of a fund's investments). In addition, there is a risk that if the company becomes insolvent, then shareholders' rights of recovery against the assets of the company may rank lower than the secured creditors of the company.

#### **Derivatives risk**

As the Target Fund may invest in financial derivative instruments to meet its specific investment objective, there is no guarantee that the performance of the financial derivatives instruments will generate positive return for the Target Fund and its Shareholders. Nevertheless, the investment restrictions and limits of the Target Fund limit the exposure of financial derivatives instruments to not exceed the total NAV of the Target Fund.

### 4.3 CIMB-Principal China-India-Indonesia Equity Fund

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#### **Stock specific risk**

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

#### **Country risk**

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

We have obtained the necessary licenses/permits for investments in countries that require such licenses/permits. In the event that such licenses/permits to invest are revoked or not renewed, we would seek to invest in other accessible markets.

#### **Currency risk**

As the investments of the Fund may be denominated in currencies other than the base currency, any fluctuation in the exchange rate between the base currency 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, this will have an adverse effect on the NAV of the Fund in the base currency 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.

#### **Liquidity risk**

Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the Fund holds assets that are illiquid, or are difficult to dispose of, the value of the Fund will be negatively affected when it has to sell such assets at unfavourable prices.

#### **Risk of investing in emerging markets**

In comparison with investments in the developed markets, investment in emerging markets may involve a higher degree of risk due to the greater possibility of political or economic instability and societal tensions. Emerging markets are markets that are, by definition, "in a state of transition" and are therefore exposed to rapid political change and economic declines. The securities in the emerging markets may face a higher risk of price drop while the exchange rates in these emerging markets are generally more volatile than those of developed markets. As such, you should be aware that investments in emerging markets may subject to higher price volatility and therefore will tend to have a higher investment risk that will affect the Fund's growth. We attempt to mitigate these risks through active asset allocation management and diversification, in addition to our continuous bottom-up and top-down research and analysis.

### 4.4 CIMB-Principal Greater China Equity Fund

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#### **PRINCIPAL RISKS OF THE FUND:**

##### **Fund manager's risk**

Since the Fund invests into a collective investment scheme managed by another manager, the Target Fund's manager has absolute discretion over the Target Fund's investment technique and knowledge, operational controls and management. In the event of mismanagement of the Target Fund and/or the management company, the NAV of the Fund, which invests into the Target Fund would be affected negatively. Although the probability of such occurrence is minute, should the situation arise, we reserves the right to seek an alternative collective investment scheme that is consistent with the objective of this Fund, subject to your approval.

##### **Currency risk**

As the investments of the Fund may be denominated in currencies other than the base currency, any fluctuation in the exchange rate between the base currency 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, this will have an adverse effect on the NAV of the Fund in the base currency 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. Please refer to page 37 on the currency risk at the target fund level for more information.

##### **Counterparty risk**

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

##### **Liquidity risk**

Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the Fund holds assets that are illiquid, or are difficult to dispose of, the value of the Fund will be negatively affected when it has to sell such assets at unfavourable prices.

#### **PRINCIPAL RISKS OF THE TARGET FUND:**

##### **Stock specific risk**

Any irregular fluctuation of the value of a particular stock may affect the unit price. In general, the value of a particular stock fluctuates in response to activities of individual companies and in response to market conditions. The impact is however reduced as the Target Fund invests in a wide portfolio of investments; thus, spreading the element of risk. Diversification can be achieved by investing in various companies across different industries, sectors or even countries that are uncorrelated. In addition, the fund manager will undertake an active bottom-up investment approach to ensure that the fundamentals of the stocks invested in are favourable.

**Country risk**

As the Target Fund invests in the People's Republic of China, Hong Kong SAR and Taiwan, the foreign investment portion of the Target Fund may be affected by risks specific to these countries. Such risks include adverse changes in the country's economic fundamentals, social and political stability, laws and regulations and foreign investments policies. Examples include expropriation, nationalisation, exchange rate control restrictions, confiscatory taxation and limitations on the use or removal of Target Fund's assets. These factors may have an adverse impact on the prices of the Target Fund's investment in that country and consequently may also affect the Target Fund's net asset value and its growth. To mitigate these risks, the Target Fund's highly disciplined portfolio construction methodology used is aimed to always maintain an appropriate level of investment risk, which includes country exposure in the portfolio to manage country risk.

**Liquidity risk**

Investors should be aware that although all funds are exposed to liquidity risk, the exposure of liquidity risk for this Fund should be of more concern as the Target Fund invests into the People's Republic of China, Hong Kong SAR and Taiwan markets. Generally, securities markets in these markets while growing in volume, have for the most part substantially less volume than those of comparable markets in developed countries. Also, many securities traded on these foreign markets are less liquid and their prices are more volatile than securities. In addition, settlement of trades in some emerging markets is much slower and more subject to failure than in developed country markets. There may also be less extensive regulation of the securities markets in these markets than most developed countries. As part of its risk management, the fund manager will attempt to reduce the liquidity exposure by an active asset allocation management and diversification within the portfolio. The fund manager will also conduct constant fundamental research and analysis to ensure the feasibility of its management.

**Counterparty risk**

The Target Fund's placements of Deposits are subject to the risk of the counterparty. Counterparty risk also refers to the possibility that the counterparty of a securities or instruments will not be able to make timely payments of interest and/or principal repayment on the maturity date. This may lead to a default in the payment of principal and/or interest and ultimately a reduction in the value of the Target Fund.

Some part of the information under the "Specific risks associated with the investment portfolio of the Target Fund" above is extracted from or based on information in the Target Fund's prospectus; however, the Manager is of the opinion that the following risks are also applicable to the Fund.

**Currency risk**

The base currency of the Target Fund is denominated in USD. As the investments of the Target Fund may be quoted and/or priced in currencies other than USD, any unfavorable fluctuation in the exchange rate between the USD and the currencies in which the investments is quoted and/or priced may have an adverse effect on the value of these investments when expressed in USD. Investors should note that any gains or losses arising from the movement of the foreign currencies against USD may therefore increase or decrease the capital gains or capital loss of the investment.

Nevertheless, investors should realise that currency risk is considered as one of the major risks to investments in foreign assets due to the volatile nature of the foreign exchange markets. Investors who are in doubt should consult their professional advisers.

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

# FUNDS' DETAILED INFORMATION

This chapter explains each of the Funds in detail and will be segregated into three (3) parts to ease investors' understanding.

## **PART A**

This part covers all CIMB-Principal's Funds and is segregated into four (4) different sections. For each of these Funds, we will describe the individual Fund's investment objective and benchmark as well as its investment policy and principal investment strategy.

### **SECTION 1: EQUITY FUNDS**

- 1.1 CIMB-Principal Equity Fund
- 1.2 CIMB-Principal Equity Aggressive Fund 1
- 1.3 CIMB-Principal Equity Aggressive Fund 3
- 1.4 CIMB-Principal Equity Growth & Income Fund
- 1.5 CIMB-Principal Equity Income Fund
- 1.6 CIMB-Principal Small Cap Fund
- 1.7 CIMB-Principal KLCI-Linked Fund

### **SECTION 2: MIXED ASSET FUNDS**

- 2.1 CIMB-Principal Balanced Fund
- 2.2 CIMB-Principal Balanced Income Fund
- 2.3 CIMB-Principal Income Plus Balanced Fund

### **SECTION 3: FIXED INCOME & MONEY MARKET FUNDS**

- 3.1 CIMB-Principal Bond Fund
- 3.2 CIMB-Principal Strategic Bond Fund
- 3.3 CIMB-Principal Deposit Fund
- 3.4 CIMB-Principal Money Market Income Fund

### **SECTION 4: REGIONAL & GLOBAL FUNDS**

- 4.1 CIMB-Principal Asian Equity Fund
- 4.2 CIMB-Principal Australian Equity Fund
- 4.3 CIMB-Principal China-India-Indonesia Equity Fund
- 4.4 CIMB-Principal Greater China Equity Fund

**PART B** covers the foreign market admission requirements by the relevant regulatory authorities.

**PART C** covers the investment parameters and valuation practices of all Funds, which includes permitted investments, limitations on investments, investment restrictions, valuation of permitted investments, borrowings/financing and securities lending.

## PART A

### SECTION 1: EQUITY FUNDS

#### 1.1 CIMB-PRINCIPAL EQUITY FUND

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##### **Investment objective**

To maximise capital growth over the medium to long-term through the stock market.

*Any material changes to the investment objective of the Fund would require your approval.*

##### **Benchmark**

The benchmark of the Fund is the FTSE Bursa Malaysia Top 100 Index for performance comparison. Information on the benchmark can be obtained from <http://www.bursamalaysia.com> and local national newspapers.

##### **Investment policy and principal investment strategy**

The Fund may invest between 70% to 98% (both inclusive) of its NAV in equities and other permissible investments. In line with its objective, the investment policy and strategy of the Fund will focus on investment in shares of companies with growth potential and listed on the main market.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund's NAV will be invested in equities and other permissible investments; and
- at least 2% of the Fund's NAV in liquid assets.

The asset allocation will be reviewed periodically depending on the country's economic and stock market outlook. In a rising market, the 98% limit may be breached. However, the Manager will seek to adjust this within a time frame approved by the Trustee.

CIMB-Principal combines a top-down asset and sector allocation process with a bottom-up stock selection process. The asset allocation decision is made after a review of macroeconomic trends in Malaysia and other global economies. In particular, CIMB-Principal analyzes the direction of GDP growth, interest rates, inflation, currencies and government policies. CIMB-Principal will then assess their impact on corporate earnings and determine if there are any predictable trends. These trends form the basis for sector selection. Stock selection is based on the growth style of equity investing. As such, the criteria for stock selection would include improving fundamentals and growth at reasonable valuations. Stock valuation fundamentals considered are earnings per share growth rate, return on equity, price earnings ratio and net tangible assets multiples.

As part of its risk management strategy, the Fund is constructed and managed within pre-determined guidelines. We employ an active asset allocation strategy depending upon the equity market expectations. Where appropriate, the Manager will also employ an active trading strategy in managing the Fund.

The Manager may take down the equity exposure when it feels that the equity market is close to its peak in term of valuations, and/or the market condition is unfavourable. In such circumstances, the Manager may take a temporary defensive position by either (1) reducing its proportion of higher risk assets, such as equities and increase its asset allocation to lower risk assets, such as debentures and liquid assets, to safeguard the investment portfolio of the Fund provided that such investments are within the investment objective of the Fund, and/or (2) investing in stocks that have low correlation to market movements. When deemed necessary, the Manager may also utilize derivatives instruments, subject to the SC Guidelines, for the purpose of hedging.

As at LPD, the Fund is eligible to be invested via the EPF's Members Investment Scheme. Currently, EPF's Members Investment Scheme does not allow investment into futures and options and hence, the Fund does not intend to invest in futures and options. Investors should note that the Fund may invests in futures and options if there is a change on (i) the restrictions imposed on the EPF's Members Investment Scheme on investment in futures and options, and/or (ii) the eligibility of the Fund under the EPF's Members Investment Schemes.

## 1.2 CIMB-PRINCIPAL EQUITY AGGRESSIVE FUND 1

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### Investment objective

To provide investors with long term capital growth by investing principally in equities. The Fund also seeks to outperform the FTSE Bursa Malaysia KLCI benchmark.

*Any material changes to the Fund's investment objective would require your approval.*

### Benchmark

The benchmark of the Fund is the FTSE Bursa Malaysia KLCI for performance comparison. Information on the benchmark can be obtained from <http://www.bursamalaysia.com> and local national newspapers.

### Investment policy and principal investment strategy

The Fund will invest between 70% to 98% (both inclusive) of its NAV in equities and up to a maximum of 30% of its NAV may be invested in warrants and options. Liquid assets may also be strategically used if the Manager perceives that the downside risk of the market is high in the short-term. In line with its objective, the investment policy and strategy of the Fund will focus on investment in shares of companies with growth potential.

The Fund will be managed with high tracking error. The investment strategy of the Fund will be predominantly based on bottom up stock selection instead of investing mainly in the stocks represented in the benchmark. Consequently, the Fund's individual stock and sector weightage will deviate significantly from the benchmark, thus leading to high tracking error. The strategy of the Fund includes utilizing liquid assets dynamically in the changing market conditions. For example, high level of cash holdings in the bearish market will result in higher tracking error as the cash positions helps minimize the degree of the decline in Fund's NAV as compared to the benchmark which have 100% exposure to the market downside.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund's NAV in equities;
- up to 30% of the Fund's NAV in warrants and options; and
- minimum of 2% of the Fund's NAV in liquid assets.

The asset allocation will be reviewed periodically depending on the country's economic and stock market outlook. We combine a top-down asset and sector allocation process with a bottom-up stock selection process. The asset allocation decision is made after a review of macroeconomic trends in Malaysia and other global economies. In particular, we analyze the direction of GDP growth, interest rates, inflation, currencies and government policies. We will then assess their impact on corporate earnings and determine if there are any predictable trends. These trends form the basis for sector selection. Stock selection is based on the growth style of equity investing. As such, the criteria for stock selection would include improving fundamentals and growth at reasonable valuations. Stock valuation fundamentals considered are earnings per share growth rate, return on equity, price earnings ratio and net tangible assets multiples.

As part of its risk management strategy, the Fund is constructed and managed within pre-determined guidelines. We employ an active asset allocation strategy depending upon the equity market expectations. Where appropriate, the Manager will also employ an active trading strategy in managing the Fund.

The Manager may take down the equity exposure when it feels that the equity market is close to its peak in term of valuations, and/or the market condition is unfavourable. In such circumstances, the Manager may take a temporary defensive position by either (1) reducing its proportion of higher risk assets, such as equities and increase its asset allocation to lower risk assets, such as debentures and liquid assets, to safeguard the investment portfolio of the Fund provided that such investments are within the investment objective of the Fund, and/or (2) investing in stocks that have low correlation to market movements. When deemed necessary, the Manager may also utilize derivatives instruments, subject to the SC Guidelines, for the purpose of hedging.

As at LPD, the Fund is eligible to be invested via the EPF's Members Investment Scheme. Currently, EPF's Members Investment Scheme does not allow investment into futures, warrants and options and hence, the Fund does not intend to invest in futures, warrants and options. Investors should note that the Fund may invest in futures, warrants and options if there is a change on (i) the restrictions imposed on the EPF's Members Investment Scheme on investment in futures, warrants and options, and/or (ii) the eligibility of the Fund under the EPF's Members Investment Schemes. However, the Fund may invest in warrants obtained as a result of corporate actions.

## 1.3 CIMB-PRINCIPAL EQUITY AGGRESSIVE FUND 3

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### Investment objective

To grow the value of investments over the long-term through investment in Malaysian shares.

*Any material changes to the investment objective of the Fund would require your approval.*

### Benchmark

The benchmark of this Fund is the FTSE Bursa Malaysia Top 100 Index for performance comparison. Information on the benchmark can be obtained from <http://www.bursamalaysia.com> and local national newspapers.

### Investment policy and principal investment strategy

The Fund may invest between 70% to 98% (both inclusive) of the Fund's NAV in local equities. The investment policy and strategy of the Fund will be to invest in stocks which are selected based on their future growth prospects with benchmarking of the Fund being a secondary consideration. In addition, liquid assets may also be strategically used if the Manager feels that the market downside risk is high in the short term.

The Fund will be managed with high tracking error. The investment strategy of the Fund will be predominantly based on bottom up stock selection instead of investing mainly in the stocks represented in the benchmark. Consequently, the Fund's individual stock and sector weightage will deviate significantly from the benchmark, thus leads to high tracking error. The strategy of the Fund includes utilizing liquid assets dynamically in the changing market conditions. For example, high level of cash holdings in the bearish market will result in higher tracking error as the cash positions helps minimize the degree of the decline in Fund's NAV as compared to the benchmark which have 100% exposure to the market downside.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund's NAV will be invested in equities; and
- at least 2% of the Fund's NAV in liquid assets.

The asset allocation will be reviewed periodically depending on the country's economic and stock market outlook. We combine a top-down asset and sector allocation process with a bottom-up stock selection process. The asset allocation decision is made after a review of macroeconomic trends in Malaysia and other global economies. In particular, we analyze the direction of GDP growth, interest rates, inflation, currencies and government policies. We will then assess their impact on corporate earnings and determine if there are any predictable trends. These trends form the basis for sector selection. Stock selection is based on the growth style of equity investing. As such, the criteria for stock selection would include improving fundamentals and growth at reasonable valuations. Stock valuation fundamentals considered are earnings per share growth rate, return on equity, price earnings ratio and net tangible assets multiples.

As part of its risk management strategy, the Fund is constructed and managed within pre-determined guidelines. We employ an active asset allocation strategy depending upon the equity market expectations. Where appropriate, the Manager will also employ an active trading strategy in managing the Fund.

The Manager may take down the equity exposure when it feels that the equity market is close to its peak in term of valuations, and/or the market condition is unfavourable. In such circumstances, the Manager may take a temporary defensive position by either (1) reducing its proportion of higher risk assets, such as equities and increase its asset allocation to lower risk assets, such as corporate bonds, government securities and liquid assets, to safeguard the investment portfolio of the Fund provided that such investments are within the investment objective of the Fund, and/or (2) investing in stocks that have low correlation to market movements. When deemed necessary, the Manager may also utilize derivatives instruments, subject to the SC Guidelines, for the purpose of hedging.

As at LPD, the Fund is eligible to be invested via the EPF's Members Investment Scheme. Currently, EPF's Members Investment Scheme does not allow investment into futures and options and hence, the Fund does not intend to invest in futures and options. Investors should note that the Fund may invests in futures and options if there is a change on (i) the restrictions imposed on the EPF's Members Investment Scheme on investment in futures and options, and/or (ii) the eligibility of the Fund under the EPF's Members Investment Schemes.

## 1.4 CIMB-PRINCIPAL EQUITY GROWTH & INCOME FUND

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### Investment objective

To achieve capital appreciation over the medium to long-term through all types of investments that have the potential for above average growth over time.

*Any material changes to the objective of the Fund would require your approval.*

### Benchmark

As this Fund is an equity fund with up to 30% of its NAV in foreign equities, the benchmark of the Fund is a composite comprising 70% FTSE Bursa Malaysia Top 100 Index + 30% MSCI AC Asia ex Japan\*, for performance comparison.

Information on FTSE Bursa Malaysia Top 100 Index can be obtained from <http://www.bursamalaysia.com> and local national newspapers.

Information on MSCI AC Asia ex Japan can be obtained from <http://www.msicibarra.com/products/indices>.

*\* The benchmark is customised as such to align it closer to the structure of the portfolio and to reflect the composition of the portfolio in line with the markets they operate in and its objectives.*

### Investment policy and principal investment strategy

The Fund may invest between 70% to 98% (both inclusive) of its NAV in equities in order to gain long-term capital growth. The Fund may opt to invest in foreign equities up to a maximum of 30% of its NAV. Such foreign equities must be equity securities of companies domiciled in, listed in, and/or have significant operations in Asia ex Japan. 'Significant operations' means major businesses of the company. For example, the Fund can invest in a company with significant business/operations in Thailand but listed on the New York Stock Exchange. The threshold for 'significant operations' would be if more than 30% of total group revenue derives from countries in Asia ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). In line with its objective, the investment policy and strategy of the Fund will be to invest primarily in equities, with a bias towards growth stocks that have the potential to deliver long-term capital appreciation. To a lesser extent, the Fund invests in liquid assets primarily for the purpose of cash management.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund's NAV will be invested in equities; and
- at least 2% of the Fund's NAV in liquid assets.

The asset allocation strategy will be reviewed periodically depending on the country's economic and stock market outlook. In a rising market, this 98% limit may be breached. However, the Manager will seek to adjust this within a time frame approved by the Trustee.

We combine a top-down asset and sector allocation process with a bottom-up stock selection process. The asset allocation decision is made after a review of macroeconomic trends in Malaysia and other global economies. In particular, we analyze the direction of GDP growth, interest rates, inflation, currencies and government policies. We will then assess their impact on corporate earnings and determine if there are any predictable trends. These trends form the basis for sector selection. Stock selection is based on the growth style of equity investing. As such, the criteria for stock selection would include improving fundamentals and growth at reasonable valuations. Stock valuation fundamentals considered are earnings per share growth rate, return on equity, price earnings ratio and net tangible assets multiples.

The Manager has appointed Cimb-Principal (S), as the Sub-Manager for the foreign investments of this Fund with the approval of the SC and the Trustee. CIMB-Principal (S) will be responsible for investing and managing these foreign investments in accordance with the investment objective and within the investment restrictions. All costs of this appointment will be borne by the Manager to ensure no additional fee is levied on the Unit holders of this Fund.

The Fund may invest in foreign markets where the regulatory authorities are ordinary or associate members of the IOSCO. The Fund's investments in foreign markets will be subject to the limit set by BNM and any conditions imposed by the SC from time to time. Currently, the Fund's holding in foreign investments will not exceed 30% of its NAV. The Sub-Manager may invest beyond this limit provided the approvals are obtained from the relevant authorities (where necessary) and any increase will be reflected in a supplementary prospectus (if deemed necessary). Notwithstanding the aforesaid, the Sub-Manager may decide not to invest in foreign securities as may be agreed upon by the Manager from time to time.

As part of its risk management strategy, the Fund is constructed and managed within pre-determined guidelines. We employ an active asset allocation strategy depending upon the equity market expectations. Where appropriate, the Manager will also employ an active trading strategy in managing the Fund.

The Manager and/or its Fund management delegate may take down the equity exposure when it feels that the equity market is close to its peak in term of valuations, and/or the market condition is unfavourable. In such circumstances, the Manager and/or its Fund management delegate may take a temporary defensive position by either (1) reducing its proportion of higher risk assets, such as equities and increase its asset allocation to lower risk assets, such as debentures and liquid assets, to safeguard the investment portfolio of the Fund provided that such investments are within the investment objective of the Fund, and/or (2) investing in stocks that have low correlation to market movements. When deemed necessary, the Manager and/or its Fund management delegate may also utilize derivatives instruments, subject to the SC Guidelines, for the purpose of hedging.

As at LPD, the Fund is eligible to be invested via the EPF's Members Investment Scheme. Currently, EPF's Members Investment Scheme does not allow investment into futures and options and hence, the Fund does not intend to invest in futures and options. Investors should note that the Fund may invests in futures and options if there is a change on (i) the restrictions imposed on the EPF's Members Investment Scheme on investment in futures and options, and/or (ii) the eligibility of the Fund under the EPF's Members Investment Schemes.

## 1.5 CIMB-PRINCIPAL EQUITY INCOME FUND

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### Investment objective

To provide investors with an opportunity to gain consistent and stable income by investing in a diversified portfolio of dividend yielding equities and fixed income securities. The Fund may also provide moderate capital growth potential over the medium to long-term period.

*Any material changes to the investment objective of the Fund would require your approval.*

### Benchmark

As this Fund is an equity fund with up to 70% of its NAV in foreign equities, the benchmark of the Fund is a composite comprising 50% FTSE Bursa Malaysia Top 100 Index + 50% MSCI AC Asia ex Japan\*, for performance comparison.

Information on FTSE Bursa Malaysia Top 100 Index can be obtained from <http://www.bursamalaysia.com> and local national newspapers.

Information on MSCI AC Asia ex Japan can be obtained from <http://www.msicibarra.com/products/indices>.

*\* The benchmark is customised as such to align it closer to the structure of the portfolio and to reflect the composition of the portfolio in line with the markets they operate in and its objectives.*

### Investment policy and principal investment strategy

The Fund may invest between 70% to 98% (both inclusive) of its NAV in equities in order to gain long-term capital growth. The Fund may opt to invest in foreign equities up to a maximum of 70% of its NAV.\* Such foreign equities must be equity securities of companies domiciled in, listed in, and/or have significant operations in Asia ex Japan. 'Significant operations' means major businesses of the company. For example, the Fund can invest in a company with significant business/operations in Thailand but listed on the New York Stock Exchange. The threshold for 'significant operations' would be if more than 30% of total group revenue derives from countries in Asia ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). In line with its objective, the investment policy and strategy of the Fund will be to invest in a diversified portfolio of high dividend yielding stocks and/or fixed income securities aimed at providing a stable income stream in the form of distributions to investors.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund's NAV in a diversified portfolio of dividend yielding equities and/or fixed income securities; and
- at least 2% of the Fund's NAV in liquid assets.

The asset allocation will be reviewed periodically depending on the country's economic and stock market outlook. The Manager will underweight/overweight equities and/or fixed income securities when necessary.

We combine a top-down asset and sector allocation process with a bottom-up stock selection process. The asset allocation decision is made after a review of macroeconomic trends in Malaysia and other global economies. In particular, we analyze the direction of GDP growth, interest rates, inflation, currencies and government policies. We will then assess their impact on corporate earnings and determine if there are any predictable trends. These trends form the basis for sector selection. The criteria for stock selection would include stocks that have a medium-term (2 to 5 years) dividend record or a yearly distribution policy. The Manager will also actively search for under-valued high dividend yielding stocks that may also offer promising long-term capital appreciation. Stock valuation fundamentals considered are earnings per share growth rate, return on equity, price earnings ratio and net tangible assets multiples.

The Manager has appointed CIMB-Principal (S), as the Sub-Manager for the foreign investments of this Fund with the approval of the SC and the Trustee. CIMB-Principal (S) will be responsible for investing and managing these foreign investments in accordance with the investment objective and within the investment restrictions. All costs of this appointment will be borne by the Manager to ensure no additional fee is levied on the Unit holders of this Fund.

The Fund may invest in foreign markets where the regulatory authorities are ordinary or associate members of the IOSCO. The Fund's investments in foreign markets will be subject to the limit set by BNM and any conditions imposed by the SC from time to time. Currently, the Fund's holding in foreign investments will not exceed 50% of its NAV. The Sub-Manager may invest beyond this limit provided the approvals are obtained from the relevant authorities (where necessary) and any increase will be reflected in a supplementary prospectus (if deemed necessary). Notwithstanding the aforesaid, the Sub-Manager may decide not to invest in foreign securities as may be agreed upon by the Manager from time to time.

As part of its risk management strategy, the Fund is constructed and managed within pre-determined guidelines. We employ an active asset allocation strategy depending upon the equity market expectations. Where appropriate, the Manager will also employ an active trading strategy in managing the Fund.

As this Fund is defensive in nature and designed to cater for the needs of more risk-averse equity investors, this Fund will serve well in bear market conditions. However, in bull market conditions the Fund will underperform the market as the Manager will not take on more risk to divert into highly volatile aggressive stocks. Further, in times of adversity in equity markets and as part of its risk management strategy, we may from time to time reduce its proportion of higher risk assets, such as equities, and increase its asset allocation to lower risk assets, such as debentures and liquid assets, to safeguard the investment portfolio of the Fund provided that such investments are within the investment objective of the Fund. When deemed necessary, the Manager or its Fund management delegate may also utilise derivatives instruments, subject to the SC Guidelines, for the purpose of hedging.

## 1.6 CIMB-PRINCIPAL SMALL CAP FUND

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### Investment objective

To provide growth to the value of Unit holders' investments over the long-term in an equity fund by investing in undiscovered smaller companies listed on Bursa Malaysia.

*Any material changes to the investment objective of the Fund would require your approval.*

### Benchmark

The benchmark of the Fund is the FTSE Bursa Malaysia Small Cap Index for performance comparison. Information on the benchmark can be obtained from <http://www.bursamalaysia.com> and local national newspapers.

### Investment policy and principal investment strategy

The Fund may invest between 70% to 98% (both inclusive) of the Fund's NAV in shares of smaller companies that are listed on Bursa Malaysia with market capitalisation of up to three (3) billion Ringgit Malaysia at the point of purchase. The investment policy and strategy of the Fund will therefore focus on investments in securities of such smaller companies with potential growth and hands-on management policies but may be under-researched by major stock broking houses. To a lesser extent, the Fund may also invest in other permissible investments such as liquid assets primarily for the purpose of cash management. In addition, liquid assets may be strategically used if the Manager feels that the market downside risk is high in the short-term.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund's NAV will be invested in equities; and
- at least 2% of the Fund's NAV in liquid assets.

The asset allocation strategy will be reviewed periodically depending on the country's economic and stock market outlook. In a rising market, this 98% limit may be breached. However, the Manager will seek to adjust this within a time frame approved by the Trustee.

We combine a top-down asset and sector allocation process with a bottom-up stock selection process. The asset allocation decision is made after a review of macroeconomic trends in Malaysia and other global economies. In particular, we analyze the direction of GDP growth, interest rates, inflation, currencies and government policies. We will then assess their impact on corporate earnings and determine if there are any predictable trends. These trends form the basis for sector selection. Stock selection is based on the growth style of equity investing. As such, the criteria for stock selection would include improving fundamentals and growth at reasonable valuations. Stock valuation fundamentals considered are earnings per share growth rate, return on equity, price earnings ratio and net tangible assets multiples.

As small cap stocks tend to be under-researched, We will depend upon proprietary research and selected research from brokers. In particular, stock selection will depend upon the growth potential of the company and its industry, management quality, franchise value and corporate governance considerations. The key strategy is to invest in companies that are trading below their intrinsic values and selling them when the share prices have passed their intrinsic value.

As part of its risk management strategy, the Fund is constructed and managed within pre-determined guidelines. We employ an active asset allocation strategy depending upon the equity market expectations. Where appropriate, the Manager will also employ an active trading strategy in managing the Fund.

The Manager may take down the equity exposure when it feels that the equity market is close to its peak in term of valuations, and/or the market condition is unfavourable. In such circumstances, the Manager may take a temporary defensive position by either (1) reducing its proportion of higher risk assets, such as equities and increase its asset allocation to lower risk assets, such as debentures and liquid assets, to safeguard the investment portfolio of the Fund provided that such investments are within the investment objective of the Fund, and/or (2) investing in stocks that have low correlation to market movements. When deemed necessary, the Manager may also utilize derivatives instruments, subject to the SC Guidelines, for the purpose of hedging.

As at LPD, the Fund is eligible to be invested via the EPF's Members Investment Scheme. Currently, EPF's Members Investment Scheme does not allow investment into futures and options and hence, the Fund does not intend to invest in futures and options. Investors should note that the Fund may invest in futures and options if there is a change on (i) the restrictions imposed on the EPF's Members Investment Scheme on investment in futures and options, and/or (ii) the eligibility of the Fund under the EPF's Members Investment Schemes.

## 1.7 CIMB-PRINCIPAL KLCI-LINKED FUND

### Investment objective

To achieve medium to long-term capital appreciation by seeking to match the performance of the FTSE Bursa Malaysia KLCI.

*Any material changes to the investment objective of the Fund would require your approval.*

### Benchmark

The benchmark / underlying index of the Fund is the FTSE Bursa Malaysia KLCI for performance comparison.

Information on the FTSE Bursa Malaysia KLCI can be obtained from <http://www.bursamalaysia.com> and local national newspapers.

### Investment policy and principal investment strategy

The Fund is an index fund which aims to track the movement of the FTSE Bursa Malaysia KLCI. The Fund's indexing strategy is to hold a representative sample of the securities that make up its underlying index. Thus, the Fund normally invests at least 90% of its NAV in the index stocks representing 95%-98% of the index weights. As such, the Fund may invest up to 30 index stocks, being the representative index stocks of the FTSE Bursa Malaysia KLCI. The Fund may also utilize index futures to ensure it is fully invested at all times and to reduce transaction costs.

The asset allocation strategy for this Fund is as follows:

- up to 99.5% of the Fund will be invested in securities and other permissible investments; and
- at least 0.5% in liquid assets.

The investment strategy adheres to the SC Guidelines pertaining to index funds. As such, any changes to these guidelines would be tantamount to a change in this investment strategy.

Given that the Fund aims to match the performance of the benchmark, the Manager's primary concern is to track the benchmark/underlying index. Therefore, the Manager only makes adjustments to the Fund's holdings when changes to index weightings occur. This means that the Manager will not significantly alter the Fund's holdings in response to adverse market conditions, economic, political, or any other conditions, unless these events alter the index weightings of the index component stocks.

Tracking error of this Fund against its benchmark/underlying index could potentially be caused by factors such as fees and expenses of the Fund, creations and redemptions of the Fund, changes to regulatory policies affecting the Fund, imperfect correlation between the Fund's assets and index constituents, changes to the index and corporate actions affecting the index component stocks.

In order to reduce the risk of tracking error, the Fund invests only in index stocks in similar weightings as the index and utilizes index futures. In addition, creations and redemptions of the Fund, index changes and corporate actions are being monitored closely to ensure quick remedial actions are taken. The Manager monitors the investment portfolio on a daily basis and rebalances the Fund when there are changes to the index and/or to the portfolio composition. The acceptable tracking error for the Fund in attempting to track the index is 5%.

The weightings of the top 10 component securities as at 30 April 2016 are as follows:

No.	Counter*	FTSE Bursa Malaysia KLCI (%)	(%) of holdings as against the NAV
1.	Public Bank Bhd	11.88	11.86
2.	Tenaga Nasional	10.35	10.34
3.	Malayan Banking	9.8	9.78
4.	CIMB Group Holdings	5.21	5.21
5.	Axiata Group Bhd	5.19	5.18
6.	Sime Darby Bhd	5.18	5.16
7.	Genting Bhd	4.01	3.98
8.	Petronas Chemicals Group Bhd	3.95	3.93
9.	IHH Healthcare	3.74	3.71
10.	Petronas Gas	3.56	3.53

Source: FTSE Factsheet.

\* Top 10 securities as per FTSE Bursa Malaysia KLCI Constituent.

The index weightings may change as and when prices fluctuate, therefore there may be periods in between portfolio adjustments when the actual holdings may differ from the weightings in the index.

As at LPD, the Fund is eligible to be invested via the EPF's Members Investment Scheme. Currently, EPF's Members Investment Scheme does not allow investment into futures and hence, the Fund does not intend to invest in futures. Investors should note that the Fund may invest in futures if there is a change on (i) the restrictions imposed on the EPF's Members Investment Scheme on investment in futures, and/or (ii) the eligibility of the Fund under the EPF's Members Investment Schemes.

**There is no guarantee or assurance of exact or identical replication at any time of the performance of the index.**

**The index composition may change and component securities of the underlying index may be delisted; and**

**The investment of the scheme may be concentrated in securities of a single issuer or several issuers.**

## SECTION 2: MIXED ASSET FUNDS

### 2.1 CIMB-PRINCIPAL BALANCED FUND

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#### Investment objective

To grow the value of investments over the long-term through investment in a diversified mix of Malaysian assets.

*Any material changes to the investment objective of the Fund would require your approval.*

#### Benchmark

As this Fund may invest up to 70% of its NAV in Malaysian shares with the balance in fixed income securities, the benchmark of the Fund is a composite comprising 70% FBM 100 + 30% CIMB Bank 1-Month Fixed Deposit Rate\*, for performance comparison. Information on the FBM 100 can be obtained from <http://www.bursamalaysia.com> and local national newspapers. Information on the CIMB Bank 1-Month Fixed Deposit Rate can be obtained from <http://www.cimbbank.com.my>

*\* The benchmark is customised as such to align it closer to the structure of the portfolio and the objective of the Fund. The 1-Month Fixed Deposit Rate is reflective of the objective to provide capital stability to the Fund. Thus, investors are cautioned that the risk profile of the Fund is higher than investing in fixed deposits.*

#### Investment policy and principal investment strategy

The Fund aims to invest in a diversified portfolio of equities and fixed income investments. In line with its objective, the investment policy and strategy will be to maintain a balanced portfolio between equities and fixed income investments in the ratio of 70:30. The fixed income portion of the Fund is to provide some capital stability to the Fund whilst the equity portion will provide the added return in a rising market. The investments by the Fund in equity securities shall be between 50% to 70% (both inclusive) of its NAV and investments in fixed income securities and liquid assets shall not be less than 30% of its NAV with a minimum credit rating of “BBB3” or “P2” by RAM or equivalent rating by MARC or by local rating agency(ies) of the country or “BBB” by S&P or equivalent rating by Moody’s or Fitch. The Fund may invest up to 25% of its NAV in unrated fixed income securities.

The asset allocation strategy for this Fund is as follows:

- the equity securities will be between 50% to 70% (both inclusive) of the Fund’s NAV;
- investments in fixed income securities and liquid assets shall not be less than 30% of the Fund’s NAV;
- Up to 25% of its NAV in unrated fixed income securities; and
- at least 2% of the Fund’s NAV in liquid assets.

The asset allocation will be reviewed periodically depending on the country’s economic and stock market outlook. In a rising market, the 70% limit may be breached. However, the Manager will seek to adjust this within a time frame approved by the Trustee. We will adopt an active trading strategy and will be especially selective in the buying and selling of securities for the Fund.

For the equities portion, we combine a top-down asset and sector allocation process with a bottom-up stock selection process. The asset allocation decision is made after a review of macroeconomic trends in Malaysia and other global economies. In particular, we analyze the direction of GDP growth, interest rates, inflation, currencies and government policies. We will then assess their impact on corporate earnings and determine if there are any predictable trends. These trends form the basis for sector selection. Stock selection is based on the growth style of equity investing. As such, the criteria for stock selection would include improving fundamentals and growth at reasonable valuations. Stock valuation fundamentals considered are earnings per share growth rate, return on equity, price earnings ratio and net tangible assets multiples.

As for the fixed income portion, we formulate an interest rate outlook by considering factors such as the Malaysian inflation rate, monetary policies and economic growth. With an interest rate outlook and yield curve analysis, we identify the weighting of the investment tenure and credit for the Fund. In the unlikely event of a credit rating downgrade, the Manager reserves the right to deal with the security in the best interest of the Unit holders. As an active fund manager, we have in place flexible tolerance limits to cater to such situations. For example, we can continue to hold the downgraded security if the immediate disposal of the security would not be in the best interest of the Unit holders.

As part of its risk management strategy, the Fund is constructed and managed within pre-determined guidelines. Essentially, we employ an active asset allocation strategy depending upon the equity market expectations, and at the same time monitors the bond portfolio according to three (3) parameters: tenure, credit ratings and sector. The duration of the bond portfolio is also monitored and modified according to the Manager’s interest rate outlook (i.e. the sensitivity of the portfolio to interest rate changes).

In response to adverse conditions and as part of its risk management strategy, we may from time to time reduce its proportion of higher risk assets, such as equities and increase its asset allocation to lower risk assets, such as debentures and liquid assets, to safeguard the investment portfolio of the Fund provided that such investments are within the investment objective of the Fund. Additionally, for investments in debt markets, the Manager may reduce holdings in long tenured assets and channel these moneys into short-term interest bearing deposits. When deemed necessary, the Manager may also utilize derivatives instruments, subject to the SC Guidelines, for the purpose of hedging.

As at LPD, the Fund is eligible to be invested via the EPF’s Members Investment Scheme. Currently, EPF’s Members Investment Scheme does not allow investment into futures and options and hence, the Fund does not intend to invest in futures and options. Investors should note that the Fund may invest in futures and options if there is a change on (i) the restrictions imposed on the EPF’s Members Investment Scheme on investment in futures and options, and/or (ii) the eligibility of the Fund under the EPF’s Members Investment Schemes.

## 2.2 CIMB-PRINCIPAL BALANCED INCOME FUND

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### Investment objective

To seek long-term growth in capital and income by investing in all types of investments.

*Any material changes to the investment objective of the Fund would require your approval.*

### Benchmark

As this Fund may invest up to 60% of its NAV in equities with the balance in fixed income securities, the benchmark of the Fund is a composite comprising 60% FBM 100 + 40% CIMB Bank 1-month Fixed Deposit Rate\*, for performance comparison.

Information on FBM 100 can be obtained from <http://www.bursamalaysia.com> and local national newspapers.

Information on CIMB Bank 1-month Fixed Deposit Rate can be obtained from CIMB Bank website <http://www.cimbbank.com.my>

*\* The benchmark is customised as such to align it closer to the structure of the portfolio and the objective of the Fund. The 1-Month Fixed Deposit Rate is reflective of the objective to provide a steady stream of distributions. Thus, investors are cautioned that the risk profile of the Fund is higher than investing in fixed deposits.*

### Investment policy and principal investment strategy

The Fund aims to invest in a diversified portfolio of equities and fixed income investments. In line with the objective of the Fund, the investment policy and strategy of the Fund will be to maintain a balanced portfolio between equities and fixed income investments in the ratio of 60:40. The fixed income portion of the Fund is to provide some capital stability to the Fund whilst the equity portion will provide the added return in a rising market. The investments by the Fund in equity securities shall not exceed 60% of the NAV of the Fund and investments in fixed income securities and liquid assets shall not be less than 40% of the NAV of the Fund with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC or by local rating agency(ies) of the country or "BBB" by S&P or equivalent rating by Moody's or Fitch. The Fund may invest up to 25% of its NAV in unrated fixed income securities. The fixed income portion will provide capital stability to the Fund whilst the equity portion will provide the added return in a rising market.

The asset allocation strategy for this Fund is as follows:

- the equity securities will not exceed 60% of the Fund's NAV;
- investments in fixed income securities and liquid assets shall not be less than 40% of the Fund's NAV; and
- at all times, at least 2% of the Fund's NAV must be maintained in liquid assets.
- Up to 25% of the Fund's NAV in unrated fixed income securities.

The asset allocation will be reviewed periodically depending on the country's economic and stock market outlook. In a rising market, the 60% limit may be breached. However, the Manager will seek to adjust this within a time frame approved by the Trustee. We will adopt an active trading strategy and will be especially selective in the buying and selling of securities for the Fund.

For the fixed income portion, we formulate the interest rate outlook by considering factors such as the Malaysian inflation rate, monetary policies and economic growth. With an interest rate outlook and yield curve analysis, we identify the weighting of the investment tenure and credit for the Fund. In the unlikely event of a credit rating downgrade, the Manager reserves the right to deal with the security in the best interest of the Unit holders. As active fund managers, we have in place flexible tolerance limits to cater to such situations. For example, we can continue to hold the downgraded security if the immediate disposal of the security would not be in the best interest of the Unit holders.

For the equities portion, we combine a top-down asset and sector allocation process with a bottom-up stock selection process. The asset allocation decision is made after a review of macroeconomic trends in Malaysia and other global economies. In particular, we analyze the direction of GDP growth, interest rates, inflation, currencies and government policies. We will then assess their impact on corporate earnings and determine if there are any predictable trends. These trends form the basis for sector selection. Stock selection is based on the growth style of equity investing. As such, the criteria for stock selection would include improving fundamentals and growth at reasonable valuations. Stock valuation fundamentals considered are earnings per share growth rate, return on equity, price earnings ratio and net tangible assets multiples.

The Fund may invest in foreign markets where the regulatory authorities are ordinary or associate members of the IOSCO. The Fund's investments in foreign markets will be subject to the limit set by BNM and any conditions imposed by the SC from time to time. Currently, this Fund's holding in foreign investments will not exceed 30% of its NAV. The Manager may invest beyond this limit provided the necessary approvals are obtained from the relevant authorities (where necessary) and any increase will be reflected in a supplementary prospectus (if deemed necessary). Notwithstanding the aforesaid, the Manager may decide not to invest in foreign securities.

As part of its risk management strategy, the Fund is constructed and managed within pre-determined guidelines. Essentially, we employ an active asset allocation strategy depending upon the equity market expectations, and at the same time monitors the bond portfolio according to three (3) parameters: tenure, credit ratings and sector. The duration of the bond portfolio is also monitored and modified according to the Manager's interest rate outlook (i.e. the sensitivity of the portfolio to interest rate changes).

In response to adverse conditions and as part of its risk management strategy, we may from time to time reduce its proportion of higher risk assets, such as equities and increase its asset allocation to lower risk assets, such as debentures and liquid assets, to safeguard the investment portfolio of the Fund provided that such investments are within the investment objective of the Fund. Additionally, for investments in debt markets, the Manager may reduce holdings in long tenured assets and channel these moneys into short-term interest-bearing deposits. When deemed necessary, the Manager may also utilize derivatives instruments, subject to the SC Guidelines, for the purpose of hedging.

As at LPD, the Fund is eligible to be invested via the EPF's Members Investment Scheme. Currently, EPF's Members Investment Scheme does not allow investment into futures and options and hence, the Fund does not intend to invest in futures and options. Investors should note that the Fund may invest in futures and options if there is a change on (i) the restrictions imposed on the EPF's Members Investment Scheme on investment in futures and options, and/or (ii) the eligibility of the Fund under the EPF's Members Investment Schemes.

## 2.3 CIMB-PRINCIPAL INCOME PLUS BALANCED FUND

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### Investment objective

To provide capital growth over the medium to long-term as well as income distributions.

*Any material changes to the investment objective of the Fund would require your approval.*

### Benchmark

As this Fund may invest up to 40% of its NAV in shares with the balance in fixed income securities, the benchmark of the Fund is a composite comprising 40% FBM 100 + 60% CIMB Bank 1-Month Fixed Deposit Rate\*, for performance comparison. Information on the FBM 100 can be obtained from <http://www.bursamalaysia.com> and local national newspapers. Information on the CIMB Bank 1-Month Fixed Deposit Rate can be obtained from <http://www.cimbbank.com.my>

*\* The benchmark is customised as such to align it closer to the structure of the portfolio and the objective of the Fund. The 1-Month Fixed Deposit Rate is reflective of the objective to provide a steady stream of dividends. Thus, investors are cautioned that the risk profile of the Fund is higher than investing in fixed deposits.*

### Investment policy and principal investment strategy

The Fund aims to invest in a diversified portfolio of primarily fixed income investments and some exposures in equities. The Fund may invest between 60% to 80% (both inclusive) of its NAV in debentures carrying a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC or by local rating agency(ies) of the country or "BBB" by S&P or equivalent rating by Moody's or Fitch. The Fund may also invest between 20% to 40% (both inclusive) of its NAV in equities. Up to 25% of the Fund's NAV may be invested in unrated fixed income securities. As part of its equities portfolio, the Fund may invest in stocks listed on the following foreign stock exchanges: Australia, the People's Republic of China, Hong Kong SAR, India, New Zealand, Singapore, Sri Lanka, Thailand, Korea, the Philippines, Indonesia and Taiwan, subject to a maximum of 12% of its NAV. In line with the objective of the Fund, the investment policy and strategy of the Fund is to invest primarily in fixed income securities in order to provide streams of income and some capital stability, whilst having some exposure to equities in order to provide growth and added return in a rising market.

The asset allocation strategy for this Fund is as follows:

- between 60% to 80% (both inclusive) of the Fund's NAV in fixed income securities;
- between 20% to 40% (both inclusive) of the Fund's NAV in equities; and
- up to 25% of the Fund's NAV in unrated fixed income securities.

The asset allocation will be reviewed periodically depending on the country's economic and stock market outlook. We will adopt an active trading strategy and will be especially selective in the buying and selling of securities for the Fund.

For the fixed income portion, we formulate the interest rate outlook by considering factors such as the Malaysian inflation rate, monetary policies and economic growth. With an interest rate outlook and yield curve analysis, we identify the weighting of the investment tenure and credit for the Fund. In the unlikely event of a credit rating downgrade, the Manager reserves the right to deal with the security in the best interest of the Unit holders. As active fund managers, we have in place flexible tolerance limits to cater to such situations. For example, we can continue to hold the downgraded security if the immediate disposal of the security would not be in the best interest of the Unit holders.

For the equities portion, we combine a top-down asset and sector allocation process with a bottom-up stock selection process. The asset allocation decision is made after a review of macroeconomic trends in Malaysia and other global economies. In particular, we analyze the direction of GDP growth, interest rates, inflation, currencies and government policies. We will then assess their impact on corporate earnings and determine if there are any predictable trends. These trends form the basis for sector selection. Stock selection is based on the growth style of equity investing. As such, the criteria for stock selection would include improving fundamentals and growth at reasonable valuations. Stock valuation fundamentals considered are earnings per share growth rate, return on equity, price earnings ratio and net tangible assets multiples.

The Fund may invest in foreign markets where the regulatory authorities are ordinary or associate members of the IOSCO. The Fund's investments in foreign markets will be subject to the limit set by BNM and any conditions imposed by the SC from time to time. Currently, this Fund's holding in foreign investments will not exceed 30% of its NAV. The Manager may invest beyond this limit provided the necessary approvals are obtained from the relevant authorities (where necessary) and any increase will be reflected in a supplementary prospectus (if deemed necessary). Notwithstanding the aforesaid, the Manager may decide not to invest in foreign securities.

As part of its risk management strategy, the Fund is constructed and managed within pre-determined guidelines. Essentially, we employ an active asset allocation strategy depending upon the equity market expectations, and at the same time monitors the bond portfolio according to three (3) parameters: tenure, credit ratings and sector. The duration of the bond portfolio is also monitored and modified according to the Manager's interest rate outlook (i.e. the sensitivity of the portfolio to interest rate changes).

In response to adverse conditions and as part of its risk management strategy, we may from time to time reduce its proportion of higher risk assets, such as equities and increase its asset allocation to lower risk assets, such as debentures and liquid assets, to safeguard the investment portfolio of the Fund provided that such investments are within the investment objective of the Fund. Additionally, for investments in debt markets, the Manager may reduce holdings in long tenured assets and channel these moneys into short-term interest bearing deposits. When deemed necessary, the Manager may also utilize derivatives instruments, subject to the SC Guidelines, for the purpose of hedging.

## SECTION 3: FIXED INCOME & MONEY MARKET FUNDS

### 3.1 CIMB-PRINCIPAL BOND FUND

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#### Investment objective

To provide regular income as well as to achieve medium to long-term capital appreciation through investments primarily in Malaysian bonds.

*Any material changes to the investment objective of the Fund would require your approval.*

#### Benchmark

The benchmark of the Fund is the Quant shop MGS Bond Index (Medium Sub-Index) for performance comparison. Information on the benchmark can be obtained from <http://www.quantshop.com>

#### Investment policy and principal investment strategy

Between 70% to 98% (both inclusive) of the Fund's NAV may be invested in debentures carrying at least a "BBB3" or "P2" rating by RAM or equivalent rating by MARC or by local rating agency(ies) of the country or "BBB" by S&P or equivalent rating by Moody's or Fitch. The Fund may invest up to 25% of its NAV in unrated debentures. The rest of the Fund is maintained in the form of liquid assets to meet any redemption payments to Unit holders. In line with its objective, the investment strategy and policy of the Fund is to invest in a diversified portfolio of approved fixed income securities consisting primarily of bonds, aimed to provide a steady stream of income. To achieve its objective, the Fund may also invest in structured products and/or derivatives such as forward contracts, options, futures contracts and swap agreements, that are related/linked to fixed income securities

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund's NAV in debentures and other permissible investments;
- up to 25% of the Fund's NAV in unrated debentures; and
- at least 2% of the Fund's NAV in liquid assets.

The asset allocation strategy will be reviewed periodically depending on the country's economic and bond market outlook. We will adopt an active trading strategy and will be especially selective in the buying and selling of securities for the Fund.

We formulate an interest rate outlook through examining factors such as the Malaysian inflation rate, monetary policies and economic growth. With an interest rate outlook and yield curve analysis, we identify the weighting of the investment tenure and credit for the Fund.

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

As part of its risk management strategy, the Fund is constructed and managed within pre-determined guidelines. Essentially, we monitor the bond portfolio according to three (3) parameters: tenure, credit ratings and sector. The duration of the bond portfolio is also monitored and modified according to the Manager's interest rate outlook (i.e. the sensitivity of the portfolio to interest rate changes).

In response to adverse conditions and as part of its risk management strategy, we may reduce holdings in long tenured assets and channel these moneys into short-term interest bearing deposits. The Manager may also from time to time invest in liquid assets to safeguard the investment portfolio of the Fund provided that such investments are within the investment objective of the Fund. When deemed necessary, the Manager may also utilize derivatives instruments, subject to the SC Guidelines, for the purpose of hedging.

As at LPD, the Fund is eligible to be invested via the EPF's Members Investment Scheme. Currently, EPF's Members Investment Scheme does not allow investment into structured products, futures and options and hence, the Fund does not intend to invest in structured products, futures and options. Investors should note that the Fund may invest in structured products, futures and options if there is a change on (i) the restrictions imposed on the EPF's Members Investment Scheme on investment in structured products, futures and options, and/or (ii) the eligibility of the Fund under the EPF's Members Investment Schemes.

## 3.2 CIMB-PRINCIPAL STRATEGIC BOND FUND

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### Investment objective

To provide growth to the value of Unit holders' investments over the medium-term in a medium to long-term bond portfolio as well as to provide a source of regular income.

*Any material changes to the investment objective of the Fund would require your approval.*

### Benchmark

The benchmark of the Fund is the Quant shop MGS Bond Index (Medium Sub-Index) for performance comparison. Information on the benchmark can be obtained from <http://www.quantshop.com>

### Investment policy and principal investment strategy

The Fund may invest between 70% to 98% (both inclusive) of its NAV in debentures rated at least "BBB3" or "P3" by RAM or equivalent rating by MARC or by local rating agency(ies) of the country or "BB" by S&P or equivalent rating by Moody's or Fitch. The Fund may invest up to 25% of its NAV in unrated debentures and up to 10% of its NAV in warrants and options.

The Fund may hold equity as a result of the conversion from the warrants. If opportunity arises and/or upon the maturity of warrants, the Manager may convert the warrants into equities, subject to a maximum of 10% of the Fund's NAV.

As a strategic bond fund, the Fund may also allocate part of its fixed income portfolio to be invested in ICULS and/or exchangeable bonds listed on Bursa Malaysia and other eligible exchanges, but subject to a maximum of 10% of its NAV. In line with its objective, the investment strategy and policy of the Fund is to invest in a diversified portfolio of approved fixed income securities aimed to provide a steady stream of income while utilizing warrants and options to provide added returns when appropriate. To achieve its objective, the Fund may also invest in structured products and/or derivatives such as forward contracts, options, futures contracts and swap agreements, that are related/linked to fixed income securities.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund's NAV in debentures and other permissible investments;
- up to 25% of the Fund's NAV in unrated debentures;
- up to 10% of its NAV in warrants and options;
- up to 10% of its NAV in equities; and
- maximum of 10% of its NAV in ICULS and/or exchangeable bonds.

We will adopt an active trading strategy and will be especially selective in the buying and selling of securities for the Fund.

For the fixed income portion, we formulate an interest rate outlook through examining factors such as the Malaysian inflation rate, monetary policies and economic growth. With an interest rate outlook and yield curve analysis, we identify the weighting of the investment tenure and credit for the Fund.

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

The Fund may invest in foreign markets where the regulatory authorities are ordinary or associate members of the IOSCO. The Fund's investments in foreign markets will be subject to the limit set by BNM and any conditions imposed by the SC from time to time. Currently, this Fund's holding in foreign investments will not exceed 30% of its NAV. The Manager may invest beyond this limit provided the necessary approvals are obtained from the relevant authorities (where necessary) and any increase will be reflected in a supplementary prospectus (if deemed necessary). Notwithstanding the aforesaid, the Manager may decide not to invest in foreign securities.

As part of its risk management strategy, the Fund is constructed and managed within pre-determined guidelines. Essentially, we monitor the bond portfolio according to three (3) parameters: tenure, credit ratings and sector. The duration of the bond portfolio is also monitored and modified according to the Manager's interest rate outlook (i.e. the sensitivity of the portfolio to interest rate changes).

In response to adverse conditions and as part of its risk management strategy, we may reduce holdings in long tenured assets and channel these moneys into short-term interest bearing deposits. The Manager may also from time to time invest in liquid assets to safeguard the investment portfolio of the Fund provided that such investments are within the investment objective of the Fund. When deemed necessary, the Manager may also utilize derivatives instruments, subject to the SC Guidelines, for purpose of hedging.

As at LPD, the Fund is eligible to be invested via the EPF's Members Investment Scheme. Currently, EPF's Members Investment Scheme does not allow investment into structured products, futures, warrants and options and hence, the Fund does not intend to invest in structured products, futures, warrants and options. Investors should note that the Fund may invest in structured products, futures, warrants and options if there is a change on (i) the restrictions imposed on the EPF's Members Investment Scheme on investment in structured products, futures, warrants and options, and/or (ii) the eligibility of the Fund under the EPF's Members Investment Schemes. However, the Fund may invest in warrants obtained as a result of corporate actions.

### 3.3 CIMB-PRINCIPAL DEPOSIT FUND

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#### Investment objective

To generate regular income for investors through investments primarily in the money market.

*Any material changes to the investment objective of the Fund would require your approval.*

#### Benchmark

The benchmark of the Fund is the CIMB Bank Overnight Rate\* for performance comparison.

Information on the benchmark can be obtained from <http://www.cimbbank.com.my>.

*\* Given that the Fund is an income fund, the Fund shall benchmark itself against the overnight rate for performance comparison purpose only. Therefore, investors are cautioned that the risk profile of the Fund is higher than investing in fixed deposits.*

#### Investment policy and principal investment strategy

The Fund will place at least 95% of its NAV in Deposits. Up to 5% of the Fund's NAV may be invested in money market instruments, short-term bonds and/or notes with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC or by local rating agency(ies) of the country or "BBB" by S&P or equivalent rating by Moody's or Fitch, all of which have a remaining maturity period of less than 365 days. The Fund will be actively managed. The investment policy and strategy is to invest in liquid and low risk short-term investments for capital preservation\*.

#### Note:

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

The asset allocation strategy for this Fund is as follows:

- at least 95% of its NAV in Deposits; and
- up to 5% of its NAV in money market instruments and short-term bonds and/or notes.

The investment strategy adheres to the SC Guidelines pertaining to investments for a money market fund. As such any changes to these guidelines would be tantamount to a change in this investment strategy.

We formulate an interest rate outlook by considering factors such as the Malaysian inflation rate, monetary policies and economic growth. With an interest rate outlook and yield curve analysis, we identify the weighting of the investment tenure and credit for the Fund.

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

Risk management is at the core of our investment process. Every proposed decision made by the investment team is considered in the context of the overall portfolio risk-return trade-off.

The Fund will only invest in liquid assets and short term bonds and/or notes. Investment committee of the Manager reviews the counterparties on a regular basis to ensure that the Fund invests in accordance with the Fund's objective. Hence, the Fund is constructed to be managed within the internal guidelines such as risk-return trade-off, which will be monitored regularly by the investment team.

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

## 3.4 CIMB-PRINCIPAL MONEY MARKET INCOME FUND

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### Investment objective

To provide a low risk investment option that normally earns higher interest than traditional bank accounts.

*Any material changes to the investment objective of the Fund would require your approval.*

### Benchmark

The benchmark of the Fund is the CIMB Bank Overnight Rate\* for performance comparison.

Information on the benchmark can be obtained from <http://www.cimbbank.com.my>

*\* Given that the Fund is an income fund, the Fund shall benchmark itself against the overnight rate for performance comparison purpose only. Therefore, investors are cautioned that the risk profile of the Fund is higher than investing in fixed deposits.*

### Investment policy and principal investment strategy

The Fund may place at least 90% of its NAV in Deposits as well as invest in money market instruments and short-term debentures with a minimum credit rating of “BBB3” or “P2” by RAM or equivalent rating by MARC or by local rating agency(ies) of the country or “BBB” by S&P or equivalent rating by Moody’s or Fitch, all of which have a remaining maturity period of less than 365 days Up to 10% of the Fund’s NAV may be invested in short-term debentures which have a remaining maturity period of more than 365 days but less than 732 days. The Fund will be actively managed. The investment policy and strategy is to invest in liquid and low risk short-term investments for capital preservation\*.

#### Note:

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

The asset allocation strategy for this Fund is as follows:

- at least 90% of its NAV in Deposits, money market instruments and/or short-term debentures; and
- up to 10% of its NAV in short-term debentures with maturity period of more than 365 days but less than 732 days.

The investment strategy adheres to the SC Guidelines pertaining to investments for a money market fund. As such any changes to these guidelines would be tantamount to a change in this investment strategy.

We formulate an interest rate outlook by considering factors such as the Malaysian inflation rate, monetary policies and economic growth. With an interest rate outlook and yield curve analysis, We identify the weighting of the investment tenure and credit for the Fund.

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

The Fund may invest in foreign markets where the regulatory authorities are ordinary or associate members of the IOSCO. The Fund’s investments in foreign markets will be subject to the limit set by BNM and any conditions imposed by the SC from time to time. Currently, this Fund’s holding in foreign investments will not exceed 30% of its NAV. The Manager may invest beyond this limit provided the necessary approvals are obtained from the relevant authorities (where necessary) and any increase will be reflected in a supplementary prospectus (if deemed necessary). Notwithstanding the aforesaid, the Manager may decide not to invest in foreign securities.

Risk management is at the core of our investment process. Every proposed decision made by the investment team is considered in the context of the overall portfolio risk-return trade-off.

The Fund will only invest in liquid investments with capital preservation\*. Investment committee of the Manager reviews the counterparties on a regular basis to ensure that the Fund invests in accordance with the Fund’s objective. Hence, the Fund is constructed to be managed within the internal guidelines such as risk-return trade-off, which will be monitored regularly by the investment team.

#### Note:

*\* The term “liquid investments” in this context refers to short-term financial instruments such as Deposits and money market instruments. The values of these instruments are normally not volatile and thus display capital preservation in nature. These liquid investments are neither capital guaranteed nor capital protected.*

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

## SECTION 4: REGIONAL & GLOBAL FUNDS

### 4.1 CIMB-PRINCIPAL ASIAN EQUITY FUND

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#### Investment objective

To seek capital growth by investing primarily in equities and equity related instruments in the Asia ex Japan.

*Any material changes to the investment objective of the Fund would require your approval.*

#### Benchmark

The benchmark of the Fund is the MSCI All Country Asia ex Japan Index for performance comparison. Information on the benchmark can be obtained from <http://www.msicbarra.com/products/indices>.

#### Investment policy and principal investment strategy

The Fund aims to achieve capital growth by investing primarily in equity securities of companies domiciled in, listed in, and/or have significant operations in Asia ex Japan. 'Significant operations' means major businesses of the company. For example, the Fund can invest in a company with significant business/operations in Thailand but listed on the New York Stock Exchange. The threshold for 'significant operations' would be if more than 30% of total group revenue derives from countries in Asia ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). Under normal market conditions, the Fund will invest primarily in common stocks. However, since the investment objective is more likely to be achieved through an investment policy that is flexible and adaptable, the Fund may seek investment opportunities in other types of transferable securities, including fixed income securities. The Fund may also invest in instruments issued by companies incorporated in the Asia ex Japan but listed or traded on exchanges outside Asia ex Japan.

The Asia ex Japan includes but is not limited to the following countries: Hong Kong SAR, India, Indonesia, Korea, the People's Republic of China, Pakistan, the Philippines, Singapore, Sri Lanka, Taiwan, Malaysia and Thailand. The investments of the Fund in the foreign markets are in accordance with the SC Guidelines. They are further subject to the limits permitted by BNM.

The asset allocation strategy for this Fund is as follows:

- between 70% to 99.5% (both inclusive) of the Fund's NAV in equity securities in Asia ex Japan and other permissible investments; and
- at least 0.5% of the Fund's NAV in liquid assets.

The asset allocation will be reviewed periodically depending on the region's economic and stock market outlook.

The Manager has appointed CIMB-Principal (S), a company incorporated in Singapore, as the Sub-Manager of the CIMB-Principal Asian Equity Fund with the approval of the SC. CIMB-Principal (S) will be responsible for investing and managing the CIMB-Principal Asian Equity Fund in accordance with the investment objective and within the investment restrictions. All costs of this appointment will be borne by the Manager to ensure no additional fee is levied on the Unit holders of this Fund. CIMB-Principal (S) will actively decide on the asset allocation within the Asia ex Japan, based on the outlook of the different geographical markets as well as domestic interest rate trends. The Sub-Manager's investment policy and strategy will be based on its global outlook on the economy and financial markets generally, as well as relative market valuation.

CIMB-Principal (S) reserves the right to change the asset allocation and/or the investment strategy (including, but not limited to the investment in foreign mutual funds), provided that the changes are at all times in accordance with the objectives of the Fund.

As part of its risk management strategy, CIMB-Principal (S) may vary the Fund's asset allocation in line with its outlook. In addition, the Fund is constructed and managed within pre-determined guidelines. CIMB-Principal (S) employs an active asset allocation strategy depending upon the equity market expectations. Where appropriate, the Sub-Manager will also employ an active trading strategy in managing the Fund.

In response to adverse conditions and as part of its risk management strategy, CIMB-Principal (S) may from time to time reduce its proportion of higher risk assets, such as equities and increase its asset allocation to lower risk assets, such as debentures and liquid assets, to safeguard the investment portfolio of the Fund provided that such investments are within the investment objective of the Fund. When deemed necessary, the Sub-Manager may also utilize derivatives instruments, subject to the SC Guidelines, for purpose of hedging.

## 4.2 CIMB-PRINCIPAL AUSTRALIAN EQUITY FUND

### Investment objective

The Fund aims to achieve medium to long-term capital appreciation predominantly through investment in a portfolio of Australian securities.

*Any material changes to the investment objective of the Fund would require your approval.*

### Benchmark

The benchmark for the Fund is the S&P/ASX 200 Accumulation Index for performance comparison. Information on the benchmark can be obtained from <http://www.cimb-principal.com.my>.

**Note:** Investors to note that the risk profile of the Fund is different from the risk profile of the benchmark.

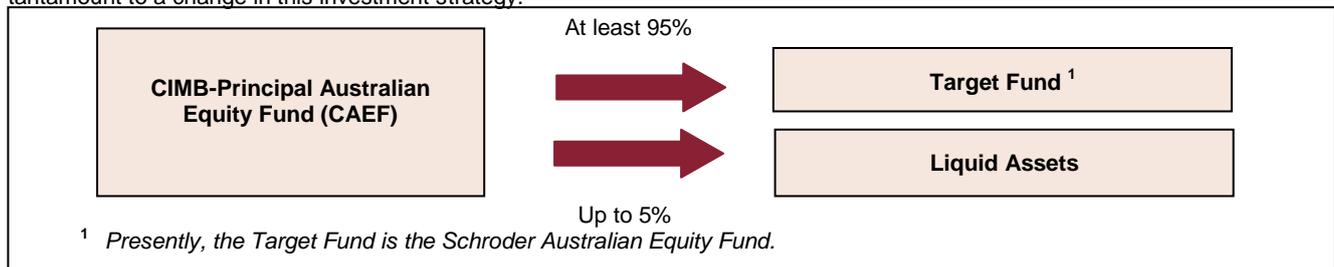
### Investment policy and principal investment strategy

In order to achieve its objective, the Fund will invest at least 95% of its NAV in the Schroder Australian Equity Fund ('Target Fund'); an Australian-domiciled fund established on 3 March 1964 which invests in Australian equities, with an emphasis on investments in companies with sustainable competitive advantage in the long-term. Information on Schroder Australian Equity Fund is detailed on the next chapter.

The asset allocation strategy for this Fund is as follows:

- At least 95% of the Fund's NAV will be invested in the Target Fund; and
- Up to 5% of the Fund's NAV will be invested in liquid assets for liquidity purposes.

The investment strategy adheres to the SC Guidelines pertaining to a feeder fund. As such any changes to these guidelines would tantamount to a change in this investment strategy.



**Note:** For the days delivery of the Target Fund's unit price is delayed due to whatever reasons, including the Target Fund's processing of regular income calculation or post-financial year end income calculation and audit, the daily unit price of the Fund may not be available/published during the relevant period.

*In addition, there may be possible delays:*

- in the process of the application and the receiving of units, and*
- in the process of withdrawals and receiving redemption proceeds, during the relevant periods.*

### Risk management strategy

The Fund is a feeder fund that invests at least 95% of its NAV into the Schroder Australian Equity Fund. Hence, the risk management strategies and techniques employed will be at the Target Fund level whereby the fund manager of the Target Fund employs a risk management process which combines financial techniques and instruments to manage at any time the risk of various positions and their contribution to the overall risk of the Target Fund's portfolio.

### Temporary defensive position

The Manager does not intend to adopt a temporary defensive position for the Fund in response to adverse market, economic and/or any other conditions to allow the Fund to mirror the performance of the Target Fund in either bullish or bearish market condition. However, the defensive strategies may be implemented at the Target Fund level subject to Schroders Australia's view on markets and strategy. Investors should note that Schroders Australia may or may not choose to adopt the temporary defensive position; this will in turn impact the performance of the Fund.

### Replacement of Target Fund

If, in the opinion of the Manager, the Target Fund no longer meets the Fund's investment objective, and/or when acting in the best interests of Unit holders, we may replace the Target Fund with another collective investment scheme that is consistent with the objective of this Fund, subject to the approval of the Unit holders.

The switch to another collective investment scheme may be performed on a staggered basis to facilitate a smooth transition. This is applicable should the manager of the newly identified target fund exercises its discretion to apply Anti Dilution Levy\* in relation to applications for units. Thus, the time frame required to perform the transition will depend on such conditions, if any, imposed by the Target Fund as well as any conditions associated with an Anti Dilution Levy that may be charged at the newly identified target fund level. Hence during the transition period, the Fund's investment may differ from the stipulated investment strategies.

\* *Anti Dilution Levy is an allowance for fiscal and other charges that is added to the net asset value per unit to reflect the costs of investing application moneys in underlying assets of the target fund. The levy is intended to be used to ensure that all investors in the target fund are treated equitably by allocating transaction costs to the investors whose transactions give rise to those costs.*

## ABOUT THE SCHRODER AUSTRALIAN EQUITY FUND

Schroder Investment Management Australia Limited (“Schroders Australia”) offers a range of investment products and is part of the Schroders Group which as at 31 March 2016 managed investment assets of approximately AUD 635.2 billion worldwide. While many financial institutions try to provide all things to their clients, Schroders specialise in just one – pure investment management.

Schroders Australia is a wholly owned subsidiary of Schroders plc, a publicly listed UK company descending from a group that can trace its origins in banking and finance back almost 200 years. Financial services has been a core business for Schroders Australia in Australia since 1961 and it now manages AUD 48.6 billion as at 31 March 2016 across a broad range of asset classes.

Schroders employ over 3,800 talented people worldwide operating from 38 offices in 28 different countries across Europe, the Americas, Asia and the Middle East, close to the markets in which Schroders invests and close to their clients. Schroders aims to apply its specialist asset management skills in serving the needs of its clients worldwide through its large network of offices and over 491 portfolio managers and analysts covering the world’s investment markets.

Schroder Australian Equity Fund was established on 3 March 1964. The base currency is in AUD.

\* Source: Schroders Group, all data as at 31 March 2016 .

### **The foreign jurisdiction from where Schroder Australian Equity Fund originates and name of the regulator responsible for regulating the Target Fund and the parties responsible for the Target Fund:**

Jurisdiction	:	Australia
Name of Regulator	:	Australian Securities and Investments Commission
Fund Manager	:	Schroder Investment Management Australia Limited
Custodian	:	JPMorgan Chase Bank N.A

### **Applicable legislation which applies to the Schroder Australian Equity Fund**

As a registered managed investment scheme (MIS), the Target Fund is regulated by the Australian Securities and Investments Commission (ASIC), Australia’s corporate, markets and financial services regulator and is required to comply with the Corporations Act 2001 as well as ASIC’s rules and guidelines relating to MIS.

### **Investment objective**

To outperform the S&P/ASX 200 Accumulation Index after fees over the medium to long term by investing in a broad range of companies from Australia and New Zealand.

### **Benchmark**

S&P/ASX 200 Accumulation Index.

The S&P/ASX 200 Accumulation Index measures the performance of the 200 largest index-eligible stocks listed on the Australian Securities Exchange by float-adjusted market capitalization. It reinvests the entire dividend paid on the ex-dividend date.

### **Investment strategy**

The core of Schroders Australia investment philosophy is that corporate value creation, or the ability to generate returns on capital higher than the cost of capital, leads to sustainable share price outperformance in the long-term. The ability to generate superior returns is a function of industry dynamics and company competitive advantage. The investment process is a combination of qualitative industry and company competitive position analysis and quantitative financial forecasts and valuations as follows:

#### **Step 1: Stock filtering and coverage**

Schroders Australia maintains direct coverage on all stocks within the S&P/ASX 300 Index, as well as a significant number of eligible stocks\* within Schroders Australia’s universe that are not included in this index.

*Note: Eligible stocks include listed companies within the S&P/ASX 300 Index as well as companies listed on the New Zealand Stock Exchange with an equivalent market capitalization and securities which are dually listed on the London Stock Exchange.*

#### **Step 2: Financial modelling**

Companies are subject to detailed financial analysis using a standardised proprietary company financial model. The model consists of a detailed profit & loss statement, cash flow statement, balance sheet and forecast assumptions. Analysts also have the flexibility to add additional information they believe pertinent to any company. External meetings form an important part of the company assessment.

#### **Step 3: Industry and business quality assessment**

An assessment of current and future key industry drivers, the level of industry returns and company specific reasons for relative success within an industry is quantified into financial forecasts, of sustainable margins and returns.

#### **Step 4: Detailed company valuation**

Companies within the investment universe are subject to a standardised ‘sum of the parts’ valuation methodology where financial statements are forecast forward three years to reach a mid-cycle or sustainable level of earnings, margins and returns. This determination of the mid-cycle or sustainable level is a function of the industry and business quality assessment.

#### **Step 5: Business and financial risk assessment**

Schroders Australia assess the sensitivity of a company’s cash flow to key macro factors such as interest rates together with the impact of financial leverage and capture this information in Schroders Australia’s database. Schroders Australia believe that these

factors are a key risk consideration when constructing a portfolio as opposed to only looking at returns based volatility measures (i.e. tracking error).

#### Step 6: Portfolio construction

Portfolio construction aims to maximise risk adjusted expected returns, whilst maintaining diversification. Analysts take an active role in the consideration of portfolio inclusions, exclusions and relative weights with final positions the responsibility of the Portfolio Construction Committee.

#### Permitted investment and restrictions of the Schroder Australian Equity Fund

The Target Fund is permitted to invest in a broad range of financial instruments predominantly in Australian equity investments. The Target Fund is permitted to hold dual-listed Australian equity securities listed on an alternate securities exchange (besides the Australian Stock Exchange) as well as Australian derivatives for cash equitisation and equity warrants for stocks specific exposure. The Fund is not permitted to invest in non-equity securities, including fixed income.

#### Risk management procedures

Schroders Australia will seek to minimise risk through diversification of markets in which the Target Fund's assets are held. Derivatives are not extensively used and where they are used, the Portfolio Construction Committee is responsible for the strategy and implementation (which is via the Dealing Desk). In the vast majority of instances, we prefer to retain an exposure to a company directly through the underlying security. Where derivatives are used, Schroders Australia will ensure that, at all times, there are sufficient liquid funds to discharge its liabilities in relation to these investments. Schroders Australia does not intend to leverage any of its funds. Further information about derivatives and how Schroders Australia uses derivatives can be found in the current Schroders Derivative Risk Statement, which can be obtained from the Schroders website [www.schroders.com.au](http://www.schroders.com.au).

#### Fees charged by the Target Fund

No.	Fees/Expenses	Percentage (%)
1	Initial fee	Nil.
2	Management fee	0.62% per annum of the NAV of the investment in the Target Fund. <b>Note:</b> There is no double charging of management fee. The management fee charged by the Target Fund will be paid out of the Management Fee charged by the Manager at the Fund level. Please refer to page 94 for further details on the management fee charged for the Fund.
3	Withdrawal fee	Nil.
4	Transaction cost <sup>Note1</sup>	0.25% on application and 0.25% on withdrawal (as a % of Target Fund's unit price). <b>Note:</b> There is no double charging of the transaction cost at the Fund level.
5	Other expenses	Other fees and charges include but are not limited to: custodian transaction fees, bank charges, and abnormal expenses (which are costs that are generally not incurred during the day-to-day administration of the fund and are not necessarily incurred in any given year, such as costs of Unit holder meetings or costs associated with making changes to the constitution).

**Note 1:** Transaction cost refers to buy/sell spread; it is the difference between the application and withdrawal price of the units. The difference between the application and the withdrawal prices represents an allowance for transaction costs such as brokerage, buy/sell spreads in underlying securities, government taxes, duties and levies incurred when acquiring or disposing part or all of a Target Fund's underlying investments.

#### Historical performance of the Target Fund

	3 months	6 months	1 year	3 years	5 years	10 years
Target Fund*	9.65	2.26	-8.89	2.92	5.92	5.35
Benchmark**	6.35	2.56	-4.93	5.00	6.47	4.52

\* Performance for Schroder Australian Equity Fund – professional class, net of fees, in AUD, as at 30 April 2016.

\*\* S&P/ASX 200 Accumulation Index

Source: Schroder Investment Management Australia Limited.

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

## 4.3 CIMB-PRINCIPAL CHINA-INDIA-INDONESIA EQUITY FUND

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### Investment objective

Aims to achieve medium to long-term capital appreciation by capitalizing on investment ideas in undervalued listed companies which are domiciled or have significant operations in China, India and Indonesia.

*Any material changes to the investment objective of the Fund would require your approval.*

### Benchmark

The benchmark of the Fund is a composite comprising of an equally weighted custom composite index of MSCI China Index, MSCI India Index and MSCI Indonesia Index\*, for performance comparison.

Information on the benchmark can be obtained from <http://www.cimb-principal.com.my>.

*\* The weightage of the three (3) indices is based on an approximation of their relative market capitalisation.*

### Investment policy and principal investment strategy

The Fund seeks to achieve its objective by investing primarily in equities and equity related securities of undervalued listed companies which are domiciled or have significant operations in China, India and Indonesia markets which offer attractive valuations and medium-term to long-term growth potential. The target companies are companies which are traded at attractive valuations and have the potential to ride on the future recovery and growth of China, India and Indonesia.

The 'significant operations' means the major business of the company. The Fund can invest in companies not only listed in China, India and Indonesia, but also those that have major businesses in China, India and Indonesia markets. For example, the Fund can invest in a company with business /operations in China but listed on Hong Kong Stock Exchange. The threshold for 'significant operations' would be if more than 30% of total group revenue derive from China, India or Indonesia. Whereas, the 'attractive valuations' means stocks or companies that have valuations based on price/earnings or price-to-book ratios that are lower than the respective sector or country valuations at that time.

The Fund will generally invest between 70% to 98% (both inclusive) of its NAV in equities with at least 2% of the Fund's NAV invested in liquid assets for liquidity purposes. The Fund's allocation to each of the aforesaid countries will vary depending on the Manager and its delegate's outlook for each country.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund's NAV will be invested in equities and/or other permissible investments; and
- at least 2% of the Fund's NAV will be invested in liquid assets for liquidity purposes.

The Manager has appointed CIMB-Principal (S), a company incorporated in Singapore as the Sub-Manager of the Fund with the approval of the SC. CIMB-Principal (S) will be responsible for investing and managing the Fund in accordance with the investment objective and within the investment restrictions. For further details on the Sub-Manager, please refer to page 115.

The Sub-Manager will adopt an active investment strategy. The countries and securities invested in this Fund will undergo a rigorous research exercise before they are included in the respective portfolios. The Sub-Manager adopts the combination of both bottom-up and top-down processes and believes that long-term investment performance can be achieved by employing a rigorous research process. The Manager and its delegate may from time to time, revise its outlook on the investment ideas of the Fund to capitalise on the economic environment of the market at that time.

Fundamental and valuation analysis (bottom-up) forms an integral part of the Sub-Manager's research effort. The process is focused on the early identification of fundamental change. Key elements of this include:

- improving and sustaining business fundamentals
- rising investor expectations
- attractive relative valuation

As part of its risk management strategy, 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.

In times of adversity in equity markets and as part of its risk management strategy, the Manager and its fund management delegate may from time-to-time reduce its proportion of equities and increase its asset allocation to liquid assets, to safeguard the investment portfolio of the Fund.

The Sub-Manager may take a temporary defensive position when it believes the markets or the economies are experiencing excessive volatility, a prolonged general decline or when other adverse conditions may exist. Under these circumstances, the Fund may be unable to pursue its investment goal.

In response to adverse conditions, the Sub-Manager may utilize derivatives instruments such as futures and forward contracts to hedge the portfolio. The Sub-Manager may from time to time reduce its proportion of risky assets and increase its asset allocation to liquid assets, to safeguard the investment portfolio of the Fund.

## 4.4 CIMB-PRINCIPAL GREATER CHINA EQUITY FUND

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### Investment objective

Aims to achieve medium to long-term capital growth primarily through investment in a portfolio of equity securities with exposure to the Greater China region consisting of the People's Republic of China, Hong Kong SAR and Taiwan.

*Any material changes to the investment objective of the Fund would require your approval.*

### Benchmark

The Fund adheres to the benchmark of the Target Fund. The benchmark of the Target Fund is the MSCI Golden Dragon Index for performance comparison. Information on the benchmark is available at <http://www.cimb-principal.com.my>

### Investment policy and principal investment strategy

The Fund is a feeder fund that invests at least 95% of the Fund's NAV in the Schroder ISF Greater China, a fund of the Schroder International Selection Fund, an open-ended investment company registered in Luxembourg. Information on Schroder ISF Greater China is detailed below.

The asset allocation strategy for this Fund is as follows:

- at least 95% of the Fund's NAV will be invested in the Schroder ISF Greater China; and
- up to 5% of the Fund's NAV will be invested in liquid assets for liquidity purposes.

The investment strategy adheres to the SC Guidelines pertaining to feeder funds. As such, any changes to these guidelines would tantamount to a change in this investment strategy.

This Target Fund invests primarily in equity securities of the People's Republic of China, Hong Kong SAR and Taiwan companies; hence, investment risk is expected to be higher than a globally diversified fund. Nevertheless, the Target Fund's highly disciplined portfolio constructions used will serve to ensure that investment risk levels are appropriate. In addition, the Fund may be hedged against the USD should the circumstances warrant it to hedge against adverse currency movements.

In light that the Fund is a feeder fund, the Manager does not adopt a temporary defensive position for the Fund in response to adverse market, economic and/or any other conditions as this will allow the Fund to mirror the Target Fund's performance, which best tracks the performance of the Target Fund in either bullish or bearish market conditions.

If, in the opinion of the Manager, the Schroder ISF Greater China no longer meets the Fund's investment objective, and/or when acting in the best interests of Unit holders, we may replace the Schroder ISF Greater China with another Target Fund that is consistent with the objective of this Fund, subject to the approval of the Unit holders. The switch to another Target Fund may be performed on a staggered basis to facilitate a smooth transition. This is applicable should the Schroder ISF Greater China impose any conditions in relation to redemption of units or if the Manager of the newly identified Target Fund exercises its discretion to apply a dilution fee\* in relation to applications for units. Thus, the time frame required to perform the transition will depend on such conditions, if any, imposed by the Schroder ISF Greater China as well as any conditions associated with a dilution fee\* that may be charged at the newly identified Target Fund level. Hence during the transition period, the Fund's investment may differ from the stipulated investment strategies.

The risk management strategies and techniques employed will be at the Target Fund level whereby the fund manager of the Target Fund employs a risk management process which combines financial techniques and instruments to manage at any time the risk of various positions and their contribution to the overall risk of the Target Fund's portfolio.

\* *Dilution fee refers to the dilution adjustment and/or anti dilution levy that serves as an allowance for fiscal and other charges that is added to the net asset value per unit to reflect the costs of investing application moneys in underlying assets of the Target Fund. The dilution fee is intended to be used to ensure that all investors in the Target Fund are treated equitably by allocating transaction costs to the investors whose transactions give rise to those costs.*

## ABOUT SCHRODER ISF GREATER CHINA

Schroder International Selection Fund (the "SISF") is an umbrella structured open-ended investment company with limited liability registered with the Registre de Commerce et des Societes, and is organised as a "société anonyme" under Part I of the laws on undertakings for collective investment dated 17 December 2010, as amended and qualifies as a Société d'Investissement à Capital Variable ("SICAV"). The SISF operates separate funds, each of which is represented by one or more classes of shares. The funds are distinguished by their specific investment policy or any other specific features.

The SISF constitutes a single legal entity, but the assets of each fund shall be invested for the exclusive benefit of the shareholders of the corresponding fund and the assets of a specific fund are solely accountable for the liabilities, commitments and obligations of that fund.

The Schroder International Selection Fund Greater China ("Schroder ISF Greater China" or the "Target Fund") is a fund under the SISF which was launched in 28 March 2002. The legislation governing the establishment and operation of the Target Fund is Luxembourg legislation.

The directors of the SISF have appointed Schroder Investment Management (Luxembourg) S.A. as its management company to perform investment management, administration and marketing functions. Schroder Investment Management (Luxembourg) S.A. is regulated by the Commission de Surveillance du Secteur Financier ("CSSF"). Schroder Investment Management (Luxembourg) S.A. was incorporated as a "Société Anonyme" in Luxembourg on 23 August 1991 and has an issued and fully paid up share capital of EUR 12,867,092.98. Schroder Investment Management (Luxembourg) S.A. has been authorized as a management company under Chapter 15 of the law of undertakings for collective investment dated 17 December 2010, as amended and, as such, provides collective portfolio management services to undertakings for collective investment.

Schroder Investment Management (Luxembourg) S.A. is also acting as a management company for three other Luxembourg domiciled Société d'Investissement à Capital Variable: Schroder Special Situations Fund and Schroder Alternative Solutions and Strategic Solutions.

The investment manager of the Target Fund is Schroder Investment Management (Hong Kong) Limited ("SIMHK"). SIMHK is regulated by the Securities and Futures Commission of Hong Kong. SIMHK has been managing collective investment schemes and discretionary funds in Hong Kong SAR for more than 30 years.

J.P. Morgan Bank Luxembourg S.A. has been appointed as custodian of the SISF.

### Share Class

The Target Fund offers different types of share classes. The Fund will be investing in A shares of the Target Fund.

Inception Date: 28 March 2002  
Base Currency: USD

### Investment objective

To provide capital growth by investing in equity and equity related securities of the People's Republic of China, Hong Kong SAR and Taiwan companies.

### Benchmark

The benchmark is the MSCI Golden Dragon Index.

### Investment strategies

At least two-thirds of the Target Fund's assets (excluding cash) will invest in equities of companies in People's Republic of China, Hong Kong SAR and Taiwan. The Target Fund may invest directly in China B-Shares and China H-Shares and may invest up to 10% of its assets in China A-Shares through Shanghai-Hong Kong Stock Connect.

The Target Fund may invest in financial derivative instruments including futures, forwards and options for the purposes of efficient portfolio management. The Target Fund may also hold cash.

### Fees charged by the Target Fund

	Fees/Expenses	%
1	Initial charge	Up to 5.00% (as a % of total subscription amount).
2	Redemption charge	Nil.
3	Distribution charge	Nil.
4	Shareholder servicing fee	Nil.
5	Management fee	1.50% of its the net asset value.
6	Other expenses	0.54% of its the net asset value.

## Investment restrictions

The investment restrictions imposed by Luxembourg law must be complied with by the Target Fund. Those restrictions in paragraph 1. (D) below are applicable to the company as a whole. If you need more information, kindly visit their website at <http://www.schroders.lu>

### 1. Investment in transferable securities and liquid assets

- (A) The SISF will invest in:
- (1) transferable securities in and money market instruments admitted to or dealt in on a regulated market; and/or
  - (2) transferable securities and money market instruments dealt in on another market in a member state of the European Union which is regulated, operated regularly and is recognized and open to the public; and/or
  - (3) transferable securities and money market instruments added to official listing on a stock exchange in a non-member state of the European Union, which is regulated, operated regularly and recognized and open to the public; and/or
  - (4) recently issued transferable securities and money market instruments, provided that
    - (I) the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or on another regulated market which operates regularly, is recognized and open to the public and,
    - (II) such admission is secured within one year of the issue; and/or
  - (5) units of UCITS and/or of other UCI, whether situated in an European Union member state or not, provided that:
    - (I) such other UCIs have been authorized under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in European Union UCI Law, and that cooperation between authorities is sufficiently ensured,
    - (II) the level of protection for shareholders in such other UCIs is equivalent to that provided for shareholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the UCITS IV Directive,
    - (III) the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
    - (IV) no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs; and/or
  - (6) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a country which is an European Union member state or, if the registered office of the credit institution is situated in a non-European Union member state, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in European Union UCI Law; and/or
  - (7) financial derivative instruments, including equivalent cash-settled instruments, dealt on a regulated market, and/or financial derivative instruments dealt OTC, provided that:
    - (I) the underlying consists of securities covered by this section 1(A), financial indices, interest rates, foreign exchange rates or currencies, in which the Target Fund may invest according to their investment objective;
    - (II) the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF;
    - (III) the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the SISF's initiative, and/or
  - (8) money market instruments other than those dealt in on a regulated market, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such investments are:
    - (I) issued or guaranteed by a central, regional or local authority or by a central bank or an European Union member state, the European central bank, the European Union or the European investment bank, a non-European Union member state or, in case of a federal state, by one of the members making up the federation, or by a public international body to which one or more European Union member states belong, or
    - (II) issued by an undertaking any securities of which are dealt in on regulated markets, or
    - (III) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined in European Union UCI Law, or
    - (IV) issued by other bodies belonging to categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least EUR10,000,000 and which presents and publishes its annual accounts in accordance with the fourth directive 78/660/EEC, in an entity, within a group of companies which

includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitization vehicles which benefit from a banking liquidity line.

- (9) In addition, the SISF may invest a maximum of 10% of the NAV of the Target Fund in transferable securities or money market instruments other than those referred to under A(1) to A(4) and A(8) above.
- (10) Under the conditions and within the limits laid down by the UCI Law, the SISF may, to the widest extent permitted by the Luxembourg laws and regulations (i) create the Target Fund qualifying either as a feeder UCITS or as a master UCITS, (ii) convert the Target Fund into a feeder UCITS, or (iii) change the master UCITS of any of its feeder UCITS.

A feeder UCITS shall invest at least 85% of its assets in the units of another master UCITS. A feeder UCITS may hold up to 15% of its assets in one or more of the following:

- ancillary liquid assets in accordance to paragraph B below;
- financial derivative instruments, which may be used only for hedging purposes.

For the purposes of compliance with section 3 below, the feeder UCITS shall calculate its global exposure related to financial derivative instruments by combining its own direct exposure under the above paragraph, (b) with either:

- the master UCITS actual exposure to financial derivative instruments in proportion to the feeder UCITS investment into the master UCITS; or
- the master UCITS potential maximum global exposure to financial derivative instruments provided for in the master UCITS management regulations or instruments of incorporation in proportion to the feeder UCITS investment into the master UCITS.

- (B) The Target Fund may hold ancillary liquid assets. Liquid assets used to back-up financial derivative exposure are not considered as ancillary liquid assets.

(C)

- (1) The Target Fund may invest no more than 10% of its NAV in transferable securities or money market instruments issued by the same issuing body (and in the case of structured financial instruments embedding derivative instruments, both the issuer of the structured financial instruments and the issuer of the underlying securities). The Target Fund may not invest more than 20% of its new assets in deposits made with the same body. The risk exposure to a counterparty of the Target Fund in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in paragraph 1(A) (6) above or 5% of its net assets in other cases.
- (2) Furthermore, where the Target Fund holds investments in transferable securities and money market instruments of any issuing body which individually exceed 5% of the NAV of the Target Fund, the total value of such investments must not account for more than 40% of the NAV of the Target Fund.

This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph (C) (1), the Target Fund may not combine:

- investments in transferable securities or money market instruments issued by,
- deposits made with, and/or
- exposures arising from OTC derivative transactions undertaken with a single body in excess of 20% of its new assets.

- (3) The limit of 10% laid down in paragraph (C)(1) above shall be 35% in respect of transferable securities or money market instruments which are issued or guaranteed by an European Union member state, its local authorities or by an eligible state or by public international bodies of which one or more European Union member states are members.
- (4) The limit of 10% laid down in paragraph (C)(1) above shall be 25% in respect of debt securities which are issued by highly rated credit institutions having their registered office in an European Union member state and which are subject to law to a special public supervision for the purpose of protecting the holders of such debt securities, provided that the amount resulting from the issue of such debt securities are invested, pursuant to applicable provisions of the law, in assets which are sufficient to cover the liabilities arising from such debt securities during the whole period of validity thereof and which are assigned to the preferential repayment of capital and accrued interest in the case of a default by such issuer.

If the Target Fund invests more than 5% of its assets in the debt securities referred to in the sub-paragraph above and issued by one issuer, the total value of such investments may not exceed 80% of the value of the assets of the Target Fund.

- (5) The transferable securities and money market instruments referred to in paragraphs (C)(3) and (C)(4) are not included in the calculation of the limit of 40% referred to in paragraph (C)(2).

The limits set out in paragraphs (C)(1), (C)(2), (C)(3) and (C)(4) above may not be aggregated and, accordingly, the value of investments in transferable securities and money market instruments issued by the same body, in deposits or financial derivative instruments made with this body, effected in accordance with paragraphs (C)(1), (C)(2), (C)(3) and (C)(4) may not, in any event, exceed a total of 35% of the Target Fund's NAV.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph (C).

The Target Fund may cumulatively invest up to 20% of its net assets in transferable securities and money market instruments within the same group.

- (6) Without prejudice to the limits laid down in paragraph (D), the limits laid down in this paragraph (C) shall be 20% for investments in shares and/or bonds issued by the same body when the aim of the Target Fund's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the CSSF, provided
- the composition of the index is sufficiently diversified,
  - the index represents an adequate benchmark for the market to which it refers,
  - it is published in an appropriate manner.

The limit laid down in the sub-paragraph above is raised to 35% where it proves to be justified by exceptional market conditions in particular in regulated markets where certain transferable securities or money market instruments are highly dominant provided that investment up to 35% is only permitted for a single issuer.

- (7) Where the Target Fund has invested in accordance with the principle of risk spreading in transferable securities or money market instruments issued or guaranteed by an European Union member state, by its local authorities or by an eligible state or by public international bodies of which one or more European Union member states are members, the SISF may invest 100% of the NAV of the Target Fund in such securities provided that the Target Fund must hold securities from at least six different issues and the value of securities from any one issue must not account for more than 30% of the NAV of the Target Fund.

Subject to having due regard to the principle of risk spreading, the Target Fund need not comply with the limits set out in this paragraph (C) for a period of 6 months following the date of its launch.

(D)

- (1) The SISF may not normally acquire shares carrying voting rights which would enable the SISF to exercise significant influence over the management of the issuing body.
- (2) The Target Fund may acquire no more than (a) 10% of the non-voting shares of any single issuing body, (b) 10% of the value of debt securities of any single issuing body, (c) 10% of the money market instruments of the same issuing body, and/or (d) 25% of the units of the same UCI. However, the limits laid down in (b), (c) and (d) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments or the net amount of securities in issue cannot be calculated.

The limits set out in paragraph (D)(1) and (2) above shall not apply to:

- (1) transferable securities and money market instruments issued or guaranteed by an European Union member state or its local authorities;
- (2) transferable securities and money market instruments issued or guaranteed by any other eligible state;
- (3) transferable securities and money market instruments issued by public international bodies of which one or more European Union member states are members; or
- (4) shares held in the capital of a company incorporated in a non-European Union member state which invests its assets mainly in the securities of issuing bodies having their registered office in that state where, under the legislation of that state, such holding represents the only way in which the Target Fund's assets may invest in the securities of the issuing bodies of that state, provided, however, that such company in its investment policy complies with the limits laid down in Articles 43, 46 and 48 (1) and (2) of the UCI Law.

- (E) The Target Fund may not invest more than 10% of its net assets in units of UCITS or other UCIs with the exception of the multi manager funds and funds identified as feeder UCITS as provided for in the investment objective. In addition, the following limits shall apply:

- (1) If the Target Fund is allowed to invest more than 10% of its net assets in units of UCITS and/or UCIs, the Target Fund may not invest more than 20% of its net assets in units of a single UCITS or other UCI. Investments made in units of UCIs other than UCITS may not, in aggregate, exceed 30% of the net assets of a sub-fund.
- (2) When the Target Fund invests in the units of other UCITS and/or other UCIs linked to the SISF by common management or control, or by a direct or indirect holding of more than 10% of the capital or the voting rights, or managed by a management company linked to the investment manager, no subscription or redemption fees may be charged to the SISF on account of its investment in the units of such other UCITS and/or UCIs. In respect of the Target Fund's investments in UCITS and other UCIs linked to the SISF as described in the preceding paragraph, there shall be no management fee charged to that portion of the assets of the relevant fund. The SISF will indicate in its annual report the total management fees charged both to the relevant fund and to the UCITS and other UCIs in which the Target Fund has invested during the relevant period.
- (3) The SISF may acquire no more than 25% of the units of the same UCITS and/or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a UCITS or other UCI with multiple sub-funds, this restriction is applicable by reference to all units issued by the UCITS and/or UCI concerned, all sub-funds combined.
- (4) The underlying investments held by the UCITS or other UCIs in which the Target Fund invest do not have to be considered for the purpose of the investment restrictions set forth under section 1(C) above.

- (F) The Target Fund (the investing fund) may subscribe, acquire and/or hold securities to be issued or issued by one or more funds (each a target fund) without the SISF being subject to the requirements of the UCI Law of 10 August 1915 on commercial companies, as amended, with respect to the subscription, acquisition and/or the holding company by a company of its own shares, under the condition however that:

- (1) the target fund(s) do(es) not, in turn, invest in the investing fund invested in this(these) target fund(s); and
- (2) no more than 10% of the assets that the target fund(s) whose acquisition is contemplated may be invested in units of other target funds; and
- (3) voting rights, if any, attaching to the shares of the target fund(s) are suspended for as long they are held by the investing fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- (4) in any event, for as long as these securities are held by the investing fund, their value will not be taken into consideration for the calculation of the net assets of the SISF for the purposes of verifying the minimum threshold of the net assets imposed by the UCI Law; and
- (5) there is no duplication of management/subscription or repurchase fees between those at the level of the investing fund having invested in the target fund(s), and this(these) target fund(s).

## **2. Investment in other assets**

- (A) The SISF will neither make investments in precious metals, commodities or certificates representing these. In addition, the SISF will not enter into financial derivative instruments on precious metals or commodities. This does not prevent the SISF from gaining exposure to precious metals or commodities by investing into financial instruments backed by precious metals or commodities or financial instruments whose performance is linked to precious metals or commodities.
- (B) The SISF will not purchase or sell real estate or any option, right or interest therein, provided the SISF may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
- (C) The SISF may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in sections 1(A)(5), (7) and (8).
- (D) The SISF may not borrow for the account of the Target Fund, other than amounts which do not in aggregate exceed 10% of the NAV of the Target Fund, and only as a temporary measure. For the purpose of this restriction back to back loans are not considered to be borrowings.
- (E) The SISF will not mortgage, pledge, hypothecate or otherwise encumber as security for indebtedness any securities held for the account of the Target Fund, except as may be necessary in connection with the borrowings mentioned in paragraph (D) above, and then such mortgaging, pledging, or hypothecating may not exceed 10% of the NAV of the Target Fund. In connection with swap transactions, option and forward exchange or futures transactions the deposit of securities or other assets in a separate account shall not be considered a mortgage, pledge or hypothecation for this purpose.
- (F) The SISF will not underwrite or sub-underwrite securities of other issuers.
- (G) The SISF will on a fund by fund basis comply with such further restrictions as may be required by the regulatory authorities in any country in which the shares are marketed.

## **3. Financial derivative instruments**

As specified in section 1(A)(7) above, the SISF may in respect of the Target Fund invest in financial derivative instruments.

The SISF shall ensure that the global exposure of the Target Fund relating to financial derivative instruments does not exceed the total net assets of the Target Fund. The Target Fund's overall risk exposure shall consequently not exceed 200% of its total net assets. In addition, this overall risk exposure may not be increased by more than 10% by means of temporary borrowings (as referred to in section 2(D) above) so that it may not exceed 210% of the Target Fund's total net assets under any circumstances.

The global exposure relating to financial derivative instruments is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions. This shall also apply to the following sub-paragraphs.

The Target Fund may invest, as a part of its investment policy and within the limits laid down in section 1(A)(7) and section 1(C)(5), in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in sections 1(C)(1) to (7). When the Target Fund invests in index-based financial derivative instruments compliant with the provisions of sections 1(C)(1) to (7), these investments do not have to be combined with the limits laid down in section 1(C). The frequency of the review and rebalancing of the composition of the underlying index of such financial derivative instruments varies per index and could be daily, weekly, monthly, quarterly or annually. The rebalancing frequency will have no impact in terms of costs in the context of the performance of the investment objective of the Target Fund. When a transferable security or money market instrument embeds a financial derivative instrument, the latter must be taken into account when complying with the requirements of these restrictions. Transferable securities or money market instruments backed by other assets are not deemed to embed a financial derivative instrument.

The Target Fund may use financial derivative instruments for investment purposes and for hedging purposes, within the limits of the Regulations. Under no circumstances shall the use of these instruments and techniques cause the Target Fund to diverge from its investment policy or objective. The risks against which the Target Fund could be hedged may be, for instance, market risk, foreign exchange risk, interest rate risk, credit risk, volatility or inflation risks.

### **Agreements on OTC derivatives**

The Target Fund may enter into agreements on OTC derivatives. The counterparties to any OTC financial derivative transactions, such as total return swaps or other financial derivative instruments with similar characteristics, entered into by the Target Fund,

are selected from a list of authorised counterparties established with the management company. The counterparties will be first class institutions which are either credit institutions or investment firm, which are subject to prudential supervision. The list of authorised counterparties may be amended with the consent of the management company. The identity of the counterparties will be disclosed in the annual report of the SISF.

Since the counterparties with which the Target Fund enter into total return swaps do not assume any discretion over the Target Fund's investments (including the reference assets, if any), no approval of the counterparties is required for any transactions relating to the investments of the Target Funds.

The global exposure relating to financial derivative instruments will be calculated using a commitment approach. For details, please refer to the Target Fund's prospectus available for download at [www.schroders.com](http://www.schroders.com).

#### **Global exposure**

The Target Fund's global exposure is limited to the total net value of its portfolio.

#### **Commitment Approach**

Under the commitment approach, financial derivative positions of the Target Fund are converted into equivalent positions in the underlying asset, using market price or future price or notional value when more conservative.

### **4. Use of techniques and instruments relating to transferable securities and money market instruments**

Techniques and instruments (including, but not limited to, securities lending or repurchase agreements) relating to transferable securities and money market instruments may be used by the Target Fund for the purpose of efficient portfolio management and where this is in the best interest of the Target Fund and in line with its investment objective and investor profile.

To the extent permitted by and within the limits prescribed by the regulations, the Target Fund may for the purpose of generating additional capital or income or for reducing its costs or risks, enter as purchaser or seller into optional or non-optional repurchase transactions and engage in securities lending transactions.

The SISF will, for the time being, not enter into repurchase and reverse repurchase agreements nor engage in securities lending transactions. Should the SISF decide to use such techniques and instruments in the future, the SISF will update the Target Fund's prospectus accordingly and will comply with the regulations and in particular CSSF circular 13/559 relating to ESMA guidelines on ETFs and other UCITS issues.

#### **Securities lending**

Should the SISF engage in securities lending, the Target Fund will only engage in securities lending transactions with first class institutions specialising in these types of transactions and which are subject to prudential supervision considered by the CSSF to be equivalent to that laid down in European Union law.

The Target Fund must ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

In respect of securities loans, the Target Fund will ensure that its counterparty delivers and each day maintains collateral of at least the market value of the securities lent. Such collateral must be in the form of cash or securities that satisfy the requirements of the Regulations. Such collateral shall comply with the requirements set out in section 5. "Management of Collateral" below.

#### **Reverse repurchase and repurchase agreements**

Should the SISF engage in reverse repurchase and repurchase agreements, the Target Fund will only enter into reverse repurchase and repurchase agreements with counterparties which are subject to prudential supervision rules considered by the CSSF as equivalent to that laid down in European Union law.

If the Target Fund enters into a reverse repurchase agreement, the Target Fund shall ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement.

If the Target Fund enters into a repurchase agreement, the Target Fund shall ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.

Fixed-term repurchase and reverse repurchase agreement that do not exceed seven days shall be considered as arrangements on terms that allow the assets to be recalled at any time by the Target Fund.

The Target Fund shall ensure that the level of its exposure to repurchase and reverse repurchase agreements is such that it is able to comply at all times with its redemption obligations.

### **5. Management of collateral**

The risk exposures to a counterparty arising from OTC financial derivative transactions and efficient portfolio management techniques shall be combined when calculating the counterparty risk limits provided for in section 1(C) above.

Where the Target Fund enters into OTC financial derivative transactions and efficient portfolio management techniques, all collateral used to reduce counterparty risk exposure shall comply with the following criteria at all times:

(A) Any collateral received other than cash shall be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received shall also comply with the provisions in section 1(D) above.

(B) Collateral received shall be valued on at least a daily basis. Assets that exhibit high price volatility shall not be accepted as collateral unless suitably conservative haircuts are in place.

(C) Collateral received shall be of high quality.

(D) The collateral received shall be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.

(E) Collateral shall be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Target Fund receives from a counterparty of efficient portfolio management and over-the-counter financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its Net Asset Value. When the Target Fund is exposed to different counterparties, the different baskets of collateral shall be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation, the Target Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, Eligible State or a public international body to which one or more of its local Member States belong. In that case the Target Fund must receive securities from at least six different issues, but securities from any single issue shall not account for more than 30% of the Net Asset Value of the Target Fund.

(F) Where there is a title transfer, the collateral received shall be held by the custodian. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

(G) Collateral received shall be capable of being fully enforced by the Target Fund at any time without reference to or approval from the counterparty.

(H) Non-cash collateral received shall not be sold, re-invested or pledged.

(I) Cash collateral that isn't received on behalf of currency hedged share classes shall only be:

- (1) placed on deposit with entities as prescribed in section 1(A)(6) above;
- (2) invested in high-quality government bonds;
- (3) used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Target Fund is able to recall at any time the full amount of cash on accrued basis;
- (4) invested in short-term money market funds as defined in the "ESMA Guidelines on a Common Definition of European Money Market Funds".

Re-invested cash collateral shall be diversified in accordance with the diversification requirements applicable to non-cash collateral.

### Collateral policy

Collateral received by the Target Fund shall primarily\* be limited to cash and government bonds.

*\* In this context, primarily means more than 50% of the collateral's value. As at LPD, cash and government bonds represent about 100% of the collateral's value.*

### Haircut policy

The following haircuts for collateral in OTC transactions are applied by the management company (the management company reserves the right to vary this policy at any time in which case the prospectus of Target Fund will be updated accordingly):

Eligible collateral	Remaining maturity	Valuation percentage
Cash	N/A	100%
Government bonds	One year or under	98%
	More than one year up to and including five years	97%
	More than five years up to and including ten years	95%
	More than ten years up to and including thirty years	93%
	More than thirty years up to and including forty years	90%
	More than forty years up to and including fifty years	87%

## 6. Risk management process

The SISF will employ a risk management process which enables it with the investment manager to monitor and measure at any time the risk of the positions, the use of efficient portfolio management techniques, the management of collateral and their contribution to the overall risk profile of the Target Fund. The SISF or the investment manager will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments.

Upon request of an investor, the management company will provide supplementary information relating to the quantitative limits that apply in the risk management of the Target Fund, to the methods chosen to this end and to the recent evolution of the risks and yields of the main categories of instruments.

The risk management framework is available upon request from the SISF's registered office.

**7. Miscellaneous**

- (A) The SISF may not make loans to other persons or act as a guarantor on behalf of third parties provided that for the purpose of this restriction the making of bank deposits and the acquisition of such securities referred to in paragraphs 1(A)(1), (2), (3) and (4) or of ancillary liquid assets shall not be deemed to be the making of a loan and that the SISF shall not be prevented from acquiring such securities above which are not fully paid.
- (B) The SISF need not comply with the investment limit percentages when exercising subscription rights attached to securities which form part of its assets.
- (C) The management company, the investment managers, the distributors, custodian and any authorised agents or their associates may have dealings in the assets of the SISF provided that any such transactions are effected on normal commercial terms negotiated at arm's length and provided that each such transaction complies with any of the following:
  - (1) a certified valuation of such transaction is provided by a person approved by the directors of the management company as independent and competent;
  - (2) the transaction has been executed on best terms, on and under the rules of an organised investment exchange; or
  - (3) where neither (1) or (2) is practical;
  - (4) where the directors of the management company are satisfied that the transaction has been executed on normal commercial terms negotiated at arm's length.

**Historical performance of the Target Fund**

	3 months	6 months	1 year	3 years	5 years	10 years
Target Fund*	9.83	-3.22	-19.93	13.68	3.58	83.04
Benchmark**	8.76	-6.01	-23.72	3.50	0.46	62.24

\* Performance for Schroder ISF Greater China Equity – A Acc share class, net of fees, in USD, as at 30 April 2016.

\*\* MSCI Golden Dragon Index Net TR

Source: Schroder Investment Management (Luxembourg) S.A.

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

**Past performance of the said Target Fund is not an indication of its future performance.**

## PART B

### FOREIGN MARKET ADMISSION REQUIREMENTS

The Funds have obtained prior approval from the relevant regulatory authorities before investing into India, South Korea and Taiwan. The affected Funds are:

Funds	India	South Korea	Taiwan
CIMB-Principal Equity Growth & Income Fund	√	√	√
CIMB-Principal Equity Income Fund	√	√	√
CIMB-Principal Asian Equity Fund	√	√	√
CIMB-Principal China-India-Indonesia Equity Fund	√	-	-

Foreign market admission requirements:

- India: Foreign Institutional Investors (FII) certificate issued by the Securities and Exchange Board of India (SEBI), annual renewal of the FII is not required;
- South Korea: Investment Registration Certificate (IRC) issued by the Financial Supervisory Service (FSS), annual renewal of the IRC is not necessary; and
- Taiwan: Foreign Institutional Investors (FINI) license issued by the Taiwan Stock Exchange, annual renewal of the FINI is not required.

In the event the Manager is unable to acquire the necessary licenses/permits, or the licenses/permits are revoked or not renewed (as the case may be), the Manager or Sub-Manager will seek to invest in other accessible markets.

## PART C

### PERMITTED INVESTMENTS

Subject to the Deeds, the investment policies for the Funds and the requirements of the SC and any other regulatory body, the Manager has the absolute discretion as to how the assets of the Funds are to be invested. Provided always that there are no inconsistencies with the objectives of the Funds, the Funds can invest in a wide range of securities, including but are not limited to those as set out below.

#### SECTION 1: EQUITY FUNDS

- Equities and debentures traded in or under the rules of an Eligible Market;
- Warrants that carry the right in respect of a security traded in or under the rules of an Eligible Market;
- Unlisted securities including securities 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;
- Deposits and money market instruments;
- Derivative instruments, including but not limited to options, futures contracts, forward contracts and swaps;
- All types of collective investment schemes;
- Structured products;
- Securities listed or traded on foreign markets where the regulatory authority is an ordinary or associate member of the IOSCO<sup>Note 1</sup>; and
- Any other form of investments as may be permitted by the SC from time to time that is in line with the Fund's objectives.

**Note 1:** Does not apply to EAF3 and SCF.

#### SECTION 2: MIXED ASSET FUNDS

- Equities and debentures traded in or under the rules of an Eligible Market;
- Warrants that carry the right in respect of a security traded in or under the rules of an Eligible Market;
- Unlisted securities including securities 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;
- Deposits and money market instruments;
- Derivative instruments, including but not limited to options, futures contracts, forward contracts and swaps;
- All types of collective investment schemes;
- Structured products;
- Securities listed or traded on foreign markets where the regulatory authority is an ordinary or associate member of the IOSCO<sup>Note 1</sup>; and
- Any other form of investments as may be permitted by the SC from time to time that is in line with the Fund's objectives.

**Note 1:** Does not apply to BF.

#### SECTION 3: FIXED INCOME & MONEY MARKET FUNDS

##### FIXED INCOME<sup>Note 1</sup>

- Equities and debentures traded in or under the rules of an Eligible Market;
- Warrants that carry the right in respect of a security traded in or under the rules of an Eligible Market;
- Unlisted securities including securities 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;
- Deposits and money market instruments;
- Derivative instruments, including but not limited to options, futures contracts, forward contracts and swaps;
- All types of collective investment schemes;
- Structured products;
- Securities listed or traded on foreign markets where the regulatory authority is an ordinary or associate member of the IOSCO<sup>Note 2</sup>; and
- Any other form of investments as may be permitted by the SC from time to time that is in line with the Fund's objectives.

**Note 1:** Applicable to BOF and SBF.

**Note 2:** Does not apply to BOF.

##### MONEY MARKET FUNDS<sup>Note 3</sup>

- Debentures, money market instruments and placement in deposits ("permitted investments"); and
- Any other form of investments as may be permitted by the SC from time to time that is in line with the Fund's objectives.

**Note 3:** Applicable to DF and MMIF.

## SECTION 4: REGIONAL & GLOBAL FUNDS

### NON-FEEDER FUNDS<sup>Note 1</sup>

- Equities and debentures traded in or under the rules of an Eligible Market;
- Warrants that carry the right in respect of a security traded in or under the rules of an Eligible Market;
- Unlisted securities including securities 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;
- Deposits and money market instruments;
- Derivative instruments, including but not limited to options, futures contracts, forward contracts and swaps;
- All types of collective investment schemes;
- Structured products;
- Securities listed or traded on foreign markets where the regulatory authority is an ordinary or associate member of the IOSCO; and
- Any other form of investments as may be permitted by the SC from time to time that is in line with the Fund's objectives.

**Note 1:** Applicable to AEF and CIIEF.

### FEEDER FUNDS<sup>Note 2</sup>

- One collective investment scheme (local or foreign) provided it is not a fund-of-funds or a feeder fund or any sub-fund of an umbrella fund which is a fund-of-funds or a feeder fund;
- Deposits and money market instruments;
- Derivative instruments, including but not limited to options, futures contracts, forward contracts and swaps for hedging purposes; and
- Any other form of investments as may be permitted by the SC from time to time that is in line with the Fund's objectives.

**Note 2:** Applicable to CAEF and GCEF only.

The formulation of the investment policies and strategies of the Funds are based on the objectives of the Funds after taking into consideration the regulatory requirements outlined in the SC Guidelines, with such exemptions/variations (if any) as permitted by the SC.

## INVESTMENT RESTRICTIONS AND LIMITS

	Exposure limit	Investment spread limits	Investment concentration limits
Equity Funds		<ul style="list-style-type: none"> <li>▪ the value of the Fund's investment in ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV<sup>Note 1</sup>;</li> <li>▪ the value of the Fund's investments in transferable securities and money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV<sup>Note 2</sup>;</li> <li>▪ the value of the Fund's placement in deposits with any single institution must not exceed 20% of the Fund's NAV;</li> <li>▪ the Fund's exposure from derivatives positions should not exceed the Fund's NAV. Further, <ul style="list-style-type: none"> <li>• the exposure to the underlying assets must not exceed the investment spread limits stipulated in the SC Guidelines; and</li> <li>• the value of the Fund's OTC derivative transaction with any single counter-party must not exceed 10% of the Fund's NAV;</li> </ul> </li> <li>▪ the value of the Fund's investment in structured products issued by a single counter-party must not exceed 15% of the Fund's NAV;</li> <li>▪ the aggregate value of the Fund's investments in transferable securities, money market instruments, deposits, OTC derivatives and structured products issued by or placed with (as the case may be) any single issuer/institution must not exceed 25% of the Fund's NAV<sup>Note 2</sup>;</li> <li>▪ the value of the Fund's investment in units/shares of any collective investment scheme must not exceed 20% of the Fund's NAV;</li> <li>▪ the value of the Fund's investment in transferable securities and money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV<sup>Note 2</sup>.</li> </ul>	<ul style="list-style-type: none"> <li>▪ the Fund's investments in transferable securities (other than debentures) must not exceed 10% of the securities issued by any single issuer;</li> <li>▪ the Fund's investments in debentures must not exceed 20% of the debentures issued by any single issuer;</li> <li>▪ the Fund's investments in money market instruments must not exceed 10% of the instruments issued by any single issuer. This limit does not apply to money market instruments that do not have a pre-determined issue size;</li> <li>▪ the Fund's investments in collective investment schemes must not exceed 25% of the units/shares in any one collective investment scheme (not applicable for Feeder Funds, i.e. CAEF and GCEF).</li> </ul>
Mixed Asset Funds	<ul style="list-style-type: none"> <li>▪ the value of the Fund's investment in unlisted securities must not exceed 10% of the Fund's NAV.</li> </ul>		
Fixed Income & Money Market Funds <sup>Note 3</sup>			
Regional & Global Funds <sup>Note 4</sup>			

**Note 1:**

**KLF** is subject to the following investment restriction/limits:

The Manager has obtained approval from the SC for a variation of Clause (5) of Schedule A of the SC Guidelines (previously Clause 2.0(2) Schedule C – Appendix 1), to permit the Fund to invest according to the weightings of the component stocks in the FTSE Bursa Malaysia KLCI. In addition, up to 5% above the weightings is permitted for investments in securities related to the component stocks of the FTSE Bursa Malaysia KLCI.

**Note 2:**

Not applicable for the **BOF** and the **SBF**. Instead, the following apply:

- the value of the Fund's investments in debentures issued by any single issuer must not exceed 20% of the Fund's NAV. This single issuer limit may be increased to 30% if the debentures are rated by any domestic or global rating agency to be of the best quality and offer highest safety for timely payment of interest and principal;
- the value of the Fund's investments in debentures issued by any group of companies must not exceed 30% of the Fund's NAV. Where the single issuer limit is increased to 30%, the aggregate value of a fund's investment must not exceed 30%.

**Note 3:**

The **DF** and the **MMIF** are subject to the following investment restrictions/limits:

Exposure limits	<ul style="list-style-type: none"> <li>▪ The value of the Fund's investments in permitted investments must not be less than 90% of the Fund's NAV;</li> <li>▪ The value of the Fund's investments in permitted investments which have a remaining maturity period of not more than 365 days must not be less than 90% of the Fund's NAV;</li> <li>▪ The value of the Fund's investments in permitted investments which have a remaining maturity period of more than 365 days but fewer than 732 days must not exceed 10% of the Fund's NAV.</li> </ul>
Investment spread limits	<ul style="list-style-type: none"> <li>▪ The value of the Fund's investments in debentures and money market instruments issued by any single issuer must not exceed 20% of the Fund's NAV. This single issuer limit may be increased to 30% if the debentures are rated by any domestic or global rating agency to be of the best quality and offer highest safety for timely payment of interest and principal;</li> <li>▪ The value of the Fund's placement in deposits with any single financial institution must not exceed 20% of the Fund's NAV;</li> <li>▪ The value of the Fund's investments in debentures and money market instruments issued by any group of companies must not exceed 30% of the Fund's NAV;</li> <li>▪ Where applicable, the core requirements for non-specialised funds shall apply for any other type of investments.</li> </ul>
Investment concentration limits	<ul style="list-style-type: none"> <li>▪ A fund's investments in debentures must not exceed 20% of the securities issued by any single issuer;</li> <li>▪ A fund's investments in money market instruments must not exceed 20% of the instruments issued by any single issuer; and</li> <li>▪ A fund's investments in collective investment schemes must not exceed 25% of the units/shares in any collective investment scheme.</li> </ul>

**Note 4:**

**CAEF** and **GCEF** is subject to the following investment restrictions/limits:

- the Fund must be invested in one (1) collective investment scheme.

In respect of any restrictions and limits stipulated by the SC Guidelines, there is an allowance of 5% where such restrictions and limits are breached through appreciation or depreciation of the NAV of the Fund (whether as a result of an appreciation or depreciation in value of the Fund's investments, or as a result of repurchase of units or payment made out of the Fund).

If the Fund ceases to comply with the above limitations on investments, the Manager should not make any further acquisitions to which the relevant limit is breached and must remedy the non-compliance as soon as practicable (maximum three (3) months from the date of the breach).

**Minimum requirement for liquid assets**

Liquid assets include cash, deposits with licensed financial institutions, money market instruments and debentures with a remaining maturity of less than one (1) year.

	Requirement
Equity Funds	Hold a minimum of 2.00% of its NAV (or such other amount agreed by both the Manager and the Trustee from time to time), whichever is lower, in liquid assets.
Mixed Asset Funds	
Fixed Income & Money Market Funds <sup>Note 1</sup>	
Regional & Global Funds <sup>Note 2</sup>	

**Note 1:**

Not applicable to the **DF** and the **MMIF**.

**Note 2:**

**CAEF** and **GCEF** may hold up to 5.00% of its NAV (or such other amount agreed by both the Manager and the Trustee from time to time) in liquid assets.

*AEF will hold a minimum of 0.50% of its NAV (or such other amount agreed by both the Manager and the Trustee from time to time) in liquid assets.*

## VALUATION OF PERMITTED INVESTMENTS

Valuation of fund will be carried out by the Manager in a fair manner in accordance with the applicable laws and guidelines. The valuation bases for the permitted investments of the Funds are as below:

- **Listed securities**

The value of any permitted investments, which are quoted on an approved exchange, shall be calculated daily by reference to the last transacted price on that approved exchange. If the last transacted price does not represent the fair value of the securities, then the securities shall be valued at fair price as determined in good faith by the Manager, 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 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 securities has been suspended for a period exceeding fourteen (14) days or such shorter period as determined by the trustee, whereupon their fair value will be determined in good faith by the Manager based on the methods or bases approved by the Trustee after appropriate technical consultation.

- **Unlisted securities**

The value of any unlisted RM-denominated bonds shall be calculated on a daily basis using prices quoted by a bond pricing agency ("BPA") registered with the SC. Where such prices are not available or where the Manager is of the view that the price quoted by the BPA for a specific bond differs from the market price by more than 20 basis points, the Manager may use the market price by reference to the last available quote provided such quote was obtained within the previous (thirty) 30 days and the Manager records its basis for using a non-BPA price, obtained necessary internal approvals to use the non-BPA price and keeps an audit trail of all decisions and basis for adopting the market yield.

The value of any unlisted non RM-denominated bonds shall be calculated at least weekly by reference to the average of bid and offer prices quoted by three (3) independent and reputable financial institutions or any alternative valuation basis as may be permitted by the SC from time to time.

For **AEF, EIF, BIF, IPBF, BOF, SBF, DF and MMIF**, the value of any unlisted non RM-denominated bonds shall be calculated daily using prices quoted by IDC using its proprietary methodology. The bond prices by IDC are calculated using prices contributed by financial institutions and other market inputs listed in approximate order of priority, include: benchmark yields, reported trades, broker/dealer quotes, issuer spreads and reference data (e.g. corporate action announcements and ratings). Where the prices from IDC are not available on any business day, these bonds will be valued by reference to the average indicative yield quoted by three (3) independent and reputable financial institutions.

- **Collective investment schemes**

The value of any investment in collective investment schemes which are quoted on an approved exchange shall be calculated daily in the same manner as other listed securities described above. When investing in unlisted collective investment schemes, the value shall be determined daily by reference to the last published repurchase/redemption price for that collective investment scheme.

- **Money market instruments**

Valuation of money market instruments shall be determined each day by reference to the principal value of such permitted investments and the accrued income for the relevant period.

- **Deposits**

The value of Deposits shall be determined each day by reference to the principal value of such permitted investments and the accrued income thereon for the relevant period.

If the value of an asset of the Fund is denominated in a foreign currency, the assets are translated on a daily basis to Ringgit Malaysia. Currently, the assets are translated using the bid foreign exchange rate quoted by either Reuters or Bloomberg, at UK time 4:00 p.m. the same day, as per the Investment Management Standard (FIMM/IMS(I&SP)-004 (2nd Edition)) issued by the Federation of Investment Managers Malaysia which may be amended/updated from time to time.

## BORROWINGS / FINANCING

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

## SECURITIES LENDING

The Funds may participate in the lending of securities under the Guidelines on Securities Borrowing and Lending issued by the SC (as may be amended and/or updated from time to time) when the Manager finds it appropriate to do so with a view of generating additional income for the Funds with an acceptable degree of risk.

The lending of securities is permitted under the Deeds and must comply with the above mentioned as well as with the relevant rules and/or directives issued by Bursa Malaysia, Bursa Malaysia Depository Sdn. Bhd. and Bursa Malaysia Securities Clearing Sdn. Bhd.

# FUNDS' PERFORMANCE

## AVERAGE TOTAL RETURNS

The following table shows the average total returns of the Funds in the past financial years/periods:

	1-Year	3-Year	5-Year	10-Year	Since inception
<b>As at 30 June 2015, in %</b>					
CIMB-Principal Equity Fund	(5.33)	8.81	11.46	13.74	7.88
CIMB-Principal Asian Equity Fund	25.51	21.01	9.21	-	3.92
<b>As at 31 August 2015, in %</b>					
CIMB-Principal Balanced Income Fund	(7.38)	3.07	5.87	-	7.01
CIMB-Principal Deposit Fund	3.18	2.95	2.83	2.65	2.59
<b>As at 30 September 2015, in %</b>					
CIMB-Principal Australian Equity Fund	(0.94)	3.86	5.01	-	3.83
CIMB-Principal China-India-Indonesia Equity Fund	17.74	14.31	25.60	-	4.45
CIMB-Principal KLCI-Linked Fund	(10.58)	1.63	4.15	7.85	6.30
<b>As at 31 December 2015, in %</b>					
CIMB-Principal Equity Aggressive Fund 3	0.67	3.59	3.76	-	8.59
CIMB-Principal Small Cap Fund	10.96	19.11	15.14	-	11.12
CIMB-Principal Balanced Fund	5.45	4.31	5.27	-	9.91
CIMB-Principal Income Plus Balanced Fund	3.67	2.96	3.86	-	7.33
CIMB-Principal Bond Fund	3.12	3.37	3.92	-	5.57
CIMB-Principal Strategic Bond Fund	2.74	3.18	3.96	-	6.09
CIMB-Principal Money Market Income Fund	3.18	3.02	2.98	-	2.91
<b>As at 31 January 2016, in %</b>					
CIMB-Principal Equity Income Fund	(5.15)	8.17	5.78	-	7.01
<b>As at 30 April 2015, in %</b>					
CIMB-Principal Equity Aggressive Fund 1	(2.58)	7.17	8.34	-	10.29
CIMB-Principal Equity Growth & Income Fund	10.94	13.06	9.97	23.19	26.98
CIMB-Principal Greater China Equity Fund	42.21	18.83	9.76	-	4.81

Source: Lipper.

**Note:** As at LPD, the average total returns as at 30 April 2016 are not available.

## ANNUAL TOTAL RETURNS

The following table shows the annual total returns of the Funds for each of the last ten (10) financial years:

	1-Year	2-Year	3-Year	4-Year	5-Year	6-Year	7-Year	8-Year	9-Year	10-Year	Since inception
<b>As at 30 June 2015, in %</b>											
CIMB-Principal Equity Fund	(5.33)	6.46	28.81	31.93	72.00	125.80	116.21	112.71	241.76	262.25	353.06
CIMB-Principal Asian Equity Fund	25.51	55.54	77.19	49.92	55.33	62.89	50.32	21.85	54.12	-	43.15
<b>As at 31 August 2015, in %</b>											
CIMB-Principal Balanced Income Fund	(7.38)	3.21	9.51	20.65	33.01	55.35	70.60	56.71	109.26	107.75	289.70
CIMB-Principal Deposit Fund	3.18	6.16	9.10	12.08	15.00	17.01	19.59	23.02	26.75	29.94	33.08
<b>As at 30 September 2015, in %</b>											
CIMB-Principal Australian Equity Fund	(0.94)	(3.64)	12.04	33.87	27.69	-	-	-	-	-	23.14
CIMB-Principal China-India-Indonesia Equity Fund	17.74	40.37	49.35	58.60	25.60	-	-	-	-	-	28.11
CIMB-Principal KLCI-Linked Fund	(10.58)	(4.96)	4.97	25.26	22.56	51.91	81.36	41.96	98.94	112.96	154.87
<b>As at 31 December 2015, in %</b>											
CIMB-Principal Equity Aggressive Fund 3	0.67	(6.53)	11.16	19.38	20.29	49.38	125.72	28.12	82.75	127.80	333.92
CIMB-Principal Small Cap Fund	10.96	17.66	68.99	108.57	102.38	146.93	248.18	103.05	211.34	286.72	243.72
CIMB-Principal Balanced Fund	5.45	0.48	13.49	23.19	29.25	56.68	123.28	39.11	88.62	134.59	438.42
CIMB-Principal Income Plus Balanced Fund	3.67	2.41	9.14	15.79	20.84	39.12	72.39	38.26	59.49	80.24	252.81
CIMB-Principal Bond Fund	3.12	6.69	10.44	14.71	21.23	28.31	39.13	42.40	47.55	55.58	198.07
CIMB-Principal Strategic Bond Fund	2.74	5.51	9.85	15.51	21.42	33.60	43.89	43.23	48.97	71.04	100.72
CIMB-Principal Money Market Income Fund	3.18	6.33	9.35	12.57	15.81	19.01	23.34	27.26	31.07	35.28	40.52
<b>As at 31 January 2016, in %</b>											
CIMB-Principal Equity Income Fund	(5.15)	9.12	26.58	39.62	32.44	47.45	121.72	31.18	60.96	100.57	130.88
<b>As at 30 April 2015, in %</b>											
CIMB-Principal Equity Aggressive Fund 1	(2.58)	14.56	23.09	24.37	49.25	118.88	56.24	65.87	142.33	173.39	185.33
CIMB-Principal Equity Growth & Income Fund	10.94	27.72	44.53	43.08	60.84	127.08	63.73	87.57	161.02	183.73	306.44

	1-Year	2-Year	3-Year	4-Year	5-Year	6-Year	7-Year	8-Year	9-Year	10-Year	Since inception
CIMB-Principal Greater China Equity Fund	42.21	64.34	67.80	52.82	59.27	104.13	50.77	-	-	-	44.82

Source: Lipper.

Note: As at LPD, the annual total returns as at 30 April 2016 are not available.

#### Basis of calculation and/or assumptions made in calculating the returns

$$\text{Percentage growth} = \frac{\text{NAV on that day} - \text{NAV previous day}}{\text{NAV previous day}}$$

$$\text{Average Total Returns} = \frac{\text{Total returns of the years under review}}{\text{Number of years under review}}$$

## FUNDS' PERFORMANCE AGAINST BENCHMARK

The tables below compare the performance of the Funds with their respective benchmark for the past financial years/periods:

### As at 30 June 2015, in %

#### CIMB-Principal Equity Fund

	1-Year	3-Year	5-Year	10-Year	Since Inception
Fund	(5.33)	28.81	72.00	262.25	353.06
Benchmark	(9.62)	6.66	32.57	97.24	65.46

For the financial year under review, the Fund fell by 5.33% while the benchmark declined by 9.62%. As such, the Fund outperformed its benchmark by 4.29%.

#### CIMB-Principal Asian Equity Fund

	1-Year	3-Year	5-Year	10-Year	Since Inception
Fund	25.51	77.19	55.33	-	43.15
Benchmark	19.06	45.61	48.24	-	36.08

The Fund had a total return of 25.51% which outperformed the benchmark by 6.45% mainly due to favourable stock picks.

### As at 31 August 2015, in %

#### CIMB-Principal Balanced Income Fund

	1-Year	3-Year	5-Year	10-Year	Since Inception
Fund	(7.38)	9.51	33.01	-	289.70
Benchmark	(7.81)	2.18	16.45	-	123.19

The Fund fell 7.38% in the financial year under review, while the benchmark was down by a wider 7.81%. On a 3-year and 5-year basis, the Fund appreciated 9.51% and 33.01% respectively, outperformed the benchmark return in both periods.

Note: Effective 6 July 2009, the KLCI benchmark for this Fund was discontinued and has been replaced by the FTSE Bursa Malaysia KLCI. As a result of its larger stock universe, this Fund's benchmark has been replaced with the following: 60% FBM100 + 40% CIMB Bank 1-month Fixed Deposit Rate.

#### CIMB-Principal Deposit Fund

	1-Year	3-Year	5-Year	10-Year	Since Inception
Fund	3.18	9.10	15.00	29.94	33.08
Benchmark	1.63	4.72	7.91	21.01	25.24

As at 31 August 2015, the Fund gave a 1-year and 3-year total return of 3.18% and 9.10% which outperformed the benchmark by 1.55% and 4.38% respectively. Since inception, the Fund achieved a total return of 33.08%, which outperformed the benchmark by 7.84%.

### As at 30 September 2015, in %

#### CIMB-Principal Australian Equity Fund

	1-Year	3-Year	5-Year	10-Year	Since Inception
Fund	(0.94)	12.04	27.69	-	23.14
Benchmark	6.80	26.99	41.79	-	33.46

For the financial year under review, the Fund declined 0.94% which underperformed the benchmark by 7.74%.

**CIMB-Principal China-India-Indonesia Equity Fund**

	1-Year	3-Year	5-Year	10-Year	Since Inception
<b>Fund</b>	17.74	49.35	25.60	-	28.11
<b>Benchmark</b>	12.22	35.83	12.16	-	18.30

The Fund achieved a total return of 17.74% during the financial year, outperforming the benchmark of 12.22% by 552 basis points ("bps"). Stock selection contributed bulk of the outperformance. In terms of contribution, India contributed the most to the outperformance, followed by China and Indonesia. Financials contributed the most to the outperformance, followed by basic materials and consumer goods.

**Note:**

- Effective 1 January 2013, the benchmark for CIMB-Principal China-India-Indonesia Equity Fund has been replaced with an equally weighted custom composite indices of Hang Seng China Enterprises Index, S&P CNX Nifty Index and Jakarta Composite Index. The adjustment of the ratio of the composite index is due to the extreme market movements of the market capitalization of the indices since the inception of the Fund. The revised composite will reflect equal investment opportunities in three biggest emerging markets in Asia.
- Effective 1 July 2013, the benchmark for CIMB-Principal China-India-Indonesia Equity Fund has been replaced with an equally weighted custom composite indices of MSCI China Index, MSCI India Index and MSCI Indonesia Index. MSCI stock constituents are selected based on fulfillment of liquidity and free float requirements, and often offer a better representation of the underlying economies than the constituent indices of the current benchmark.

**CIMB-Principal KLCI-Linked Fund**

	1-Year	3-Year	5-Year	10-Year	Since Inception
<b>Fund</b>	(10.58)	4.97	22.56	112.96	154.87
<b>Benchmark</b>	(12.20)	(0.95)	10.76	74.77	92.47

During the financial year under review, the Fund declined 10.58% while the benchmark declined 12.20% due to the negative investment performance.

**As at 31 December 2015, in %****CIMB-Principal Equity Aggressive Fund 3**

	1-Year	3-Year	5-Year	10-Year	Since Inception
<b>Fund</b>	0.67	11.16	20.29	-	333.92
<b>Benchmark</b>	(2.89)	1.49	13.38	-	153.23

For the financial year under review, the Fund rose 0.67% while the benchmark declined by 2.89%. As such, the Fund outperformed its benchmark by 3.56%.

**CIMB-Principal Small Cap Fund**

	1-Year	3-Year	5-Year	10-Year	Since Inception
<b>Fund</b>	10.96	68.99	102.38	-	243.72
<b>Benchmark</b>	6.04	38.88	26.29	-	160.77

For the financial year under review, the Fund rose 10.96% while the benchmark increased by 6.04%. As such, the Fund outperformed its benchmark by 4.92%.

**CIMB-Principal Balanced Fund**

	1-Year	3-Year	5-Year	10-Year	Since Inception
<b>Fund</b>	5.45	13.49	29.25	-	438.42
<b>Benchmark</b>	(1.08)	3.89	14.18	-	198.56

The Fund recorded a total return of 5.45%, which outperformed the benchmark by 6.53% for the financial year. Since inception, the Fund has generated a total return of 438.42%, which outperformed the benchmark by 239.86%.

**CIMB-Principal Income Plus Balanced Fund**

	1-Year	3-Year	5-Year	10-Year	Since Inception
<b>Fund</b>	3.67	9.14	20.84	80.24	252.81
<b>Benchmark</b>	0.79	6.49	15.64	57.91	151.98

For the financial year under review, the Fund's total return was 3.67%, which outperformed the benchmark by 2.88%. On 3-year and 5-year, the Fund's total return had grown by 9.14% and 20.84% respectively.

**CIMB-Principal Bond Fund**

	1-Year	3-Year	5-Year	10-Year	Since Inception
<b>Fund</b>	3.12	10.44	21.23	-	198.07
<b>Benchmark</b>	5.38	11.12	20.83	-	142.57

For the financial year under review, the Fund delivered a total return of 3.12%, which underperformed the benchmark by 2.26%. Nevertheless, for 5-years and since inception, the Fund's total returns are 21.23% and 198.07%, which outperformed the benchmark by 0.40% and 55.50% respectively.

**As at 31 December 2015, in %**

**CIMB-Principal Strategic Bond Fund**

	1-Year	3-Year	5-Year	10-Year	Since Inception
<b>Fund</b>	2.74	9.85	21.42	-	100.72
<b>Benchmark</b>	5.38	11.12	20.83	-	63.27

The Fund recorded a total return of 2.74% for the financial year under review, which underperformed the benchmark by 2.64%. On a 5-year basis and since inception, the Fund's total return outperformed the benchmark by 0.59% and 37.45% respectively.

**CIMB-Principal Money Market Income Fund**

	1-Year	3-Year	5-Year	10-Year	Since Inception
<b>Fund</b>	3.18	9.35	15.81	-	40.52
<b>Benchmark</b>	1.69	4.79	7.98	-	23.28

As at 31 December 2015, the Fund recorded a 1-year and 3-year total return of 3.18% and 9.35%, which outperformed the benchmark by 1.49% and 4.56% respectively. Since inception, the Fund recorded a total return of 40.52%, which outperformed the benchmark by 17.24%.

**As at 31 January 2016, in %**

**CIMB-Principal Equity Income Fund**

	1-Year	3-Year	5-Year	10-Year	Since Inception
<b>Fund</b>	(5.15)	26.58	32.44	-	130.88
<b>Benchmark</b>	(6.95)	7.68	12.24	-	121.91

For the 1-year financial year ended 31 January 2016, the Fund's total return decreased by 5.15%, which outperformed the benchmark by 1.80% due to stock selection. Over a 3-year financial period to January 2016, the Fund has outperformed by 18.90%.

**Note:** Effective 6 July 2009, the KLCI benchmark for this Fund was discontinued and has been replaced by the FTSE Bursa Malaysia KLCI. As a result of its larger stock universe, this Fund's benchmark has been replaced with the following: 50% FTSE Bursa Malaysia Top 100 Index + 50% MSCI AC Asia ex Japan.

**As at 30 April 2015, in %**

**CIMB-Principal Equity Aggressive Fund 1**

	1-Year	3-Year	5-Year	10-Year	Since Inception
<b>Fund</b>	(2.58)	23.09	49.25	-	185.33
<b>Benchmark</b>	(2.85)	15.77	35.05	-	124.60

For the financial year under review, the Fund's total return declined by 2.58% which outperformed the benchmark by 0.27%.

**CIMB-Principal Equity Growth & Income Fund**

	1-Year	3-Year	5-Year	10-Year	Since Inception
<b>Fund</b>	10.94	44.53	60.84	183.73	306.44
<b>Benchmark</b>	5.00	23.60	38.96	107.77	214.49

For the financial year under review, the Fund provided investors with return of 10.94%, outperformed the benchmark by 5.94%. The income and capital portion contributed more or less equally to the return.

**CIMB-Principal Greater China Equity Fund**

	1-Year	3-Year	5-Year	10-Year	Since Inception
<b>Fund</b>	42.21	67.80	59.27	-	44.82
<b>Benchmark</b>	40.47	60.04	52.06	-	40.51

For the 1-year financial year ended 30 April 2015, the Fund gained 42.21%, outperformed the benchmark which gained 40.47%.

The performance of the Fund and comparison with the selected benchmark for the preceding financial years/periods as at 30 April 2016 are not yet available.

Source: Lipper

## DISTRIBUTIONS

CIMB-Principal Equity Fund (FYE: 30 June)	2015	2014	2013
<b>Distribution on 23 October 2014</b>			
Net distribution per unit (Sen)	11.00	-	-
Gross distribution per unit (Sen)	11.00	-	-

### Distribution on 05 September 2013

Net distribution per unit (Sen)	-	10.24	-
Gross distribution per unit (Sen)	-	10.25	-

Distribution was in the form of cash or reinvested into additional units in the Fund at the NAV per unit on the distribution date.

CIMB-Principal Asian Equity Fund (FYE: 30 June)	2014	2013	2012
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No distribution was declared for the financial year ended 30 June 2015.

CIMB-Principal Balanced Income Fund (FYE: 31 August)	2015	2014	2013
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### Distribution 24 October 2014

Net distribution per unit (Sen)	5.20	-	-
Gross distribution per unit (Sen)	5.20	-	-

### Distribution 29 November 2013

Net distribution per unit (Sen)	-	5.06	-
Gross distribution per unit (Sen)	-	5.17	-

Distribution was in the form of cash or reinvested into additional units in the Fund at the NAV per unit on the distribution date.

CIMB-Principal Deposit Fund (FYE: 31 August)	2015	2014	2013
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### Distribution on 30 September

Gross/net distribution per unit (Sen)	0.27	0.23	0.23
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### Distribution on 31 October

Gross/net distribution per unit (Sen)	0.25	0.24	0.23
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### Distribution on 30 November

Gross/net distribution per unit (Sen)	0.27	0.23	0.23
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### Distribution on 31 December

Gross/net distribution per unit (Sen)	0.22	0.24	0.23
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### Distribution on 31 January

Gross/net distribution per unit (Sen)	0.23	0.24	0.23
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### Distribution on 28 February

Gross/net distribution per unit (Sen)	0.30	0.21	0.21
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### Distribution on 31 March

Gross/net distribution per unit (Sen)	0.29	0.24	0.24
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### Distribution on 30 April

Gross/net distribution per unit (Sen)	0.26	0.24	0.23
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### Distribution on 31 May

Gross/net distribution per unit (Sen)	0.27	0.24	0.23
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### Distribution on 30 June

Gross/net distribution per unit (Sen)	0.24	0.24	0.21
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### Distribution on 31 July

Gross/net distribution per unit (Sen)	0.27	0.26	0.25
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### Distribution on 31 August

Gross/net distribution per unit (Sen)	0.25	0.24	0.22
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Distribution was in the form of units based on the NAV per unit of the Fund on the distribution date, which will be automatically reinvested into the Fund.

**CIMB-Principal Australian Equity Fund (FYE: 30 September)**

There was no distribution declared for the financial year ended 30 September 2015.

**CIMB-Principal China-India-Indonesia Equity Fund (FYE: 30 September)**

Given its investment objective, the Fund is not expected to pay any distribution.

**CIMB-Principal KLCI-Linked Fund (FYE: 30 September)**

Given its investment objective, the Fund is not expected to pay any distribution.

**CIMB-Principal Equity Aggressive Fund 3 (FYE: 31 December)**

There was no distribution made for the financial year ended 31 December 2015.

**CIMB-Principal Small Cap Fund (FYE: 31 December)**

There was no distribution made for the financial year ended 31 December 2015.

**CIMB-Principal Balanced Fund (FYE: 31 December)**

	2015	2014	2013
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**Final distribution on 13 January 2015**

Net distribution per unit (Sen)	3.00	-	-
Gross distribution per unit (Sen)	3.00	-	-

**Final distribution on 30 January 2014**

Net distribution per unit (Sen)	-	2.98	-
Gross distribution per unit (Sen)	-	3.00	-

Distribution was in the form of cash.

**CIMB-Principal Income Plus Balanced Fund (FYE: 31 December)**

	2015	2014	2013
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**Distribution on 19 January 2015**

Net distribution per unit (Sen)	1.10	-	-
Gross distribution per unit (Sen)	1.10	-	-

**Distribution on 24 July 2015**

Net distribution per unit (Sen)	1.10	-	-
Gross distribution per unit (Sen)	1.10	-	-

**Distribution on 23 January 2014**

Net distribution per unit (Sen)	-	1.10	-
Gross distribution per unit (Sen)	-	1.10	-

**Distribution on 23 July 2013**

Net distribution per unit (Sen)	-	1.10	-
Gross distribution per unit (Sen)	-	1.10	-

Distribution was in the form of cash or reinvested into additional units in the Fund at the NAV per unit on the distribution date.

**CIMB-Principal Bond Fund (FYE: 31 December)**

	2015	2014	2013
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**Final distribution on 19 January 2015**

Net distribution per unit (Sen)	6.35	-	-
Gross distribution per unit (Sen)	6.35	-	-

**Final distribution on 23 January 2014**

Net distribution per unit (Sen)	-	6.15	-
Gross distribution per unit (Sen)	-	6.15	-

Distribution was in the form of cash or reinvested into additional units in the Fund at the NAV per unit on the distribution date.

**CIMB-Principal Strategic Bond Fund (FYE: 31 December)**

	2015	2014	2013
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**Final distribution on 27 January 2015**

Net distribution per unit (Sen)	6.09	8.15	-
Gross distribution per unit (Sen)	6.09	8.15	-

Distribution was in the form of cash or reinvested into additional units in the Fund at the NAV per unit on the distribution date.

CIMB-Principal Money Market Income Fund (FYE: 31 December)	2015	2014	2013
<b>Distribution on 31 March 2015</b>			
Gross/net distribution per unit (Sen)	1.08	-	-
<b>Distribution on 30 June 2015</b>			
Gross/net distribution per unit (Sen)	1.04	-	-
<b>Distribution on 30 September 2015</b>			
Gross/net distribution per unit (Sen)	1.00	-	-
<b>Distribution on 31 December 2015</b>			
Gross/net distribution per unit (Sen)	1.04	-	-
<b>Distribution on 31 March 2014/29 March 2013</b>			
Gross/net distribution per unit (Sen)	-	0.70	1.00
<b>Distribution on 30 June 2014/28 June 2013</b>			
Gross/net distribution per unit (Sen)	-	1.00	0.10
<b>Distribution on 30 September 2014/2013</b>			
Gross/net distribution per unit (Sen)	-	0.96	0.22
<b>Distribution on 31 December 2014/2013</b>			
Gross/net distribution per unit (Sen)	-	1.34	0.43

Distribution was in the form of cash or reinvested into additional units in the Fund at the NAV per unit on the distribution date.

CIMB-Principal Equity Income Fund (FYE: 31 January)	2016	2015	2014
<b>Distribution on 24 July 2015</b>			
Net distribution per unit (Sen)	7.00	-	-
Gross distribution per unit (Sen)	7.00	-	-
<b>Distribution on 23 June 2014</b>			
Net distribution per unit (Sen)	-	7.00	-
Gross distribution per unit (Sen)	-	7.00	-

Distribution was in the form of cash or reinvested into additional units in the Fund at the NAV per unit on the distribution date.

CIMB-Principal Equity Aggressive Fund 1 (FYE: 30 April)	2015	2014	2013
<b>Distribution on 9 July 2014</b>			
Net distribution per unit (Sen)	4.99	-	-
Gross distribution per unit (Sen)	5.00	-	-
<b>Distribution on 4 July 2013</b>			
Net distribution per unit (Sen)	-	4.78	-
Gross distribution per unit (Sen)	-	5.00	-

Distribution was in the form of cash or reinvested into additional units in the Fund at the NAV per unit on the distribution date.

CIMB-Principal Equity Growth & Income Fund (FYE: 30 April)	2015	2014	2013
<b>Distribution on 21 July 2014</b>			
Net distribution per unit (Sen)	7.62	-	-
Gross distribution per unit (Sen)	7.70	-	-
<b>Distribution on 25 June 2013</b>			
Net distribution per unit (Sen)	-	7.55	-
Gross distribution per unit (Sen)	-	7.70	-

Distribution was in the form of cash or reinvested into additional units in the Fund at the NAV per unit on the distribution date.

CIMB-Principal Greater China Equity Fund (FYE: 30 April)	2014	2013	2012
No distribution was declared for the financial year ended 30 April 2015.			

The distribution data as at 30 April 2016 are not yet available.

Distribution was in the form of cash or reinvested into additional units in the Fund at the NAV per unit on the distribution date.

Forms of payment of distribution:

- by cheque; or
- reinvested into additional units in the relevant Fund at the NAV per unit of the relevant Fund on the distribution date. No application fees are payable (the number of units is rounded down to the nearest two decimal places).

## PORTFOLIO TURNOVER RATIO (“PTR”)

Portfolio turnover is a measure of the volume of trading undertaken by a fund in relation to the Fund’s size.

The formula for calculating portfolio turnover is as follows:

$$\frac{\text{[total acquisitions of the fund for the year + total disposal for the year]} / 2}{\text{average net asset value for the fund for the year calculated on a daily basis}}$$

The PTR for the last three (3) financial years are as follows:

Financial Year Ended	30 April 2015	30 April 2014	30 April 2013
CIMB-Principal Equity Aggressive Fund 1 <sup>Note 1</sup>	2.79	1.59	2.04
CIMB-Principal Equity Growth & Income Fund <sup>Note 2</sup>	1.10	1.13	1.36
CIMB-Principal Greater China Equity Fund <sup>Note 3</sup>	0.22	0.19	0.16
Financial Year Ended	30 June 2015	30 June 2014	30 June 2013
CIMB-Principal Equity Fund <sup>Note 4</sup>	1.14	1.19	1.30
CIMB-Principal Asian Equity Fund <sup>Note 5</sup>	1.00	1.05	0.98
Financial Year Ended	31 August 2015	31 August 2014	31 August 2013
CIMB-Principal Balanced Income Fund <sup>Note 6</sup>	1.71	1.27	1.56
CIMB-Principal Deposit Fund <sup>Note 7</sup>	26.40	15.64	16.82
Financial Year Ended	30 September 2015	30 September 2014	30 September 2013
CIMB-Principal Australian Equity Fund <sup>Note 8</sup>	0.49	0.33	0.49
CIMB-Principal China-India-Indonesia Equity Fund <sup>Note 9</sup>	1.43	1.00	1.38
CIMB-Principal KLCI-Linked Fund <sup>Note 10</sup>	0.10	0.08	0.22
Financial Year Ended	31 December 2015	31 December 2014	31 December 2013
CIMB-Principal Equity Aggressive Fund 3 <sup>Note 11</sup>	1.68	1.82	1.61
CIMB-Principal Small Cap Fund <sup>Note 12</sup>	1.69	2.40	2.83
CIMB-Principal Balanced Fund <sup>Note 13</sup>	1.47	1.39	1.49
CIMB-Principal Income Plus Balanced Fund <sup>Note 14</sup>	0.96	0.59	1.36
CIMB-Principal Bond Fund <sup>Note 15</sup>	1.97	0.27	0.82
CIMB-Principal Strategic Bond Fund <sup>Note 16</sup>	0.73	0.27	0.75
CIMB-Principal Money Market Income Fund <sup>Note 17</sup>	0.54	1.12	2.29
Financial Year Ended	31 January 2016	31 January 2015	31 January 2014
CIMB-Principal Equity Income Fund <sup>Note 18</sup>	0.99	1.04	1.21

Source: CIMB-Principal Asset Management Berhad

The latest audited figures as at 30 April 2016 are not yet available.

### Notes:

- Note 1** - For EAF1, the Fund's PTR rose from 1.59 times to 2.79 times due to the changes made to the structure of the Fund. The Fund was also repositioned into a larger proportion of big cap stocks due to the volatility of the lower liners at the end of 2014.
- Note 2** - For EGIF, the Fund's PTR declined from 1.13 times to 1.10 times due to lesser trading activities during the financial year.
- Note 3** - For GCEF, The Fund's PTR increased from 0.19 times to 0.22 times due the steadier market compared with the volatility conditions that were experienced in the same period a year ago. As a feeder fund, the turnover reflects investments and withdrawals in the target funds.
- Note 4** - For EF, the Fund's PTR declined marginally from 1.19 times to 1.14 times as the trading activities continued to remain high during the financial year under review due to the volatility of the market.
- Note 5** - For AEF, the Fund's PTR decreased marginally from 1.05 times to 1.00 times as trading activities continued to remain

high due to the volatility of the market during the financial year.

- Note 6** - For BIF, the Fund's PTR increased from 1.27 times to 1.71 times during the financial year under review, in line with actions taken to reposition the Fund in view of the increased market volatility.
- Note 7** - For DF, the Fund's PTR increased from 15.64 times to 26.40 times a year ago due to higher amount of transactions recorded.
- Note 8** - For CAEF, the Fund's PTR increased from 0.33 times to 0.49 times mainly due to net redemptions resulting in higher disposal of collective investment scheme during the financial year.
- Note 9** - For CIIEF, the Fund's PTR increased from 1.00 times to 1.43 times due to market volatility and higher instances of trading activities throughout the financial year.
- Note 10** - For KLF, the Fund's PTR was at 0.10 times as the trading activities remain low which reflect the index-tracking status of the Fund during the financial year.
- Note 11** - For EAF3, The Fund's PTR declined from 1.82 times to 1.68 times for the financial year under review as the Fund completed its repositioning in the first quarter of 2015.
- Note 12** - For SCF, the Fund's PTR declined from 2.40 times to 1.69 times due to lower trading activities during the financial year.
- Note 13** - For BF, the Fund's PTR increased from 1.39 times to 1.47 times during the financial year due to greater frequency of repositioning of the Fund.
- Note 14** - For IPBF, the Fund's PTR increased from 0.59 times to 0.96 times due to higher trading activities. This was in line with our strategy as we re-positioned the Funds, focusing on stocks with quality growth, strong cash flows and sustainable dividends during the financial year under review.
- Note 15** - For BOF, during the financial year under review, the Fund's PTR increased from 0.27 times to 1.97 times reflecting the higher number of transactions.
- Note 16** - For SBF, the Fund's PTR for the financial year increased from 0.27 times to 0.73 times due to higher amount of transactions.
- Note 17** - For MMIF, the Fund's PTR decreased from 1.12 times to 0.54 times, illustrating the lower number of transactions recorded during the financial year.
- Note 18** - For EIF, the Fund's PTR declined from 1.04 times to 0.99 times mainly due to lower trading activities during the financial year.

## ASSET ALLOCATION

The following tables describe the asset allocation of the Funds for three (3) most recent financial years:

Financial Year Ended: 30 June			
<b>CIMB-Principal Equity Fund</b> <sup>Note 1</sup>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Local equities	86.92%	93.47%	91.80%
Liquid assets & others	13.08%	6.53%	8.20%
<b>CIMB-Principal Asian Equity Fund</b> <sup>Note 2</sup>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Foreign equities	92.77%	93.32%	92.80%
Liquid assets & others	7.23%	6.68%	7.20%
Financial Year Ended: 31 August			
<b>CIMB-Principal Balanced Income Fund</b> <sup>Note 3</sup>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Local equities	51.74%	59.61%	51.71%
Fixed income securities	39.09%	33.66%	36.88%
Liquid assets & others	9.17%	6.73%	11.41%
<b>CIMB-Principal Deposit Fund</b> <sup>Note 4</sup>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Fixed income securities	99.57%	100.00%	100.00%
Liquid assets & others	0.43%	0%	0%
Financial Year Ended: 30 September			
<b>CIMB-Principal Australian Equity Fund</b> <sup>Note 5</sup>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Schroder Australian Equity Fund	98.82%	97.47%	99.16%
Liquid assets & others	1.18%	2.53%	0.84%
<b>CIMB-Principal China-India-Indonesia Equity Fund</b> <sup>Note 6</sup>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Foreign equities	98.30%	90.06%	97.15%
Liquid assets & others	1.70%	9.94%	2.85%
<b>CIMB-Principal KLCI-Linked Fund</b> <sup>Note 7</sup>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Local equities	99.23%	96.16%	94.72%
Futures contracts	-	0.37%	0.52%
Liquid assets & others	0.77%	3.47%	4.76%
Financial Year Ended: 31 December			
<b>CIMB-Principal Equity Aggressive Fund 3</b> <sup>Note 8</sup>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Local equities	90.14%	72.93%	96.16%
Liquid assets & others	9.86%	27.07%	3.84%
<b>CIMB-Principal Small Cap Fund</b> <sup>Note 9</sup>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Local equities	90.90%	71.33%	89.85%
Liquid assets & others	9.10%	28.67%	10.15%
<b>CIMB-Principal Balanced Fund</b> <sup>Note 10</sup>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Local equities	66.18%	53.53%	69.38%
Fixed income securities	28.52%	38.49%	25.05%
Liquid assets & others	5.30%	7.98%	5.57%
<b>CIMB-Principal Income Plus Balanced Fund</b> <sup>Note 11</sup>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Local equities	31.64%	28.31%	33.76%
Fixed income securities	62.36%	63.33%	60.15%
Liquid assets & others	3.61%	6.05%	2.45%
Collective investment schemes	2.39%	2.31%	3.64%
<b>CIMB-Principal Bond Fund</b> <sup>Note 12</sup>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Fixed income securities	95.96%	96.92%	97.00%
Liquid assets & others	4.04%	3.08%	3.00%

<b>CIMB-Principal Strategic Bond Fund</b> <sup>Note 13</sup>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Fixed income securities	95.85%	81.74%	83.41%
Warrants & derivatives	-	3.80%	7.79%
Liquid assets & others	4.15%	14.46%	8.80%
<b>CIMB-Principal Money Market Income Fund</b> <sup>Note 14</sup>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Fixed income securities	77.28%	63.11%	69.26%
Liquid assets & others	22.72%	36.89%	30.74%
<b>Financial Year Ended: 31 January</b>			
<b>CIMB-Principal Equity Income Fund</b> <sup>Note 15</sup>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Local equities	47.14%	43.22%	45.48%
Foreign equities	47.49%	48.34%	47.19%
Liquid assets & others	5.37%	8.44%	7.33%
<b>Financial Year Ended: 30 April</b>			
<b>CIMB-Principal Equity Aggressive Fund 1</b> <sup>Note 16</sup>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Local equities	96.89%	87.95%	92.22%
Liquid assets & others	3.11%	12.05%	7.78%
<b>CIMB-Principal Equity Growth &amp; Income Fund</b> <sup>Note 17</sup>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Foreign equities	26.96%	27.61%	28.50%
Local equities	62.98%	60.90%	62.92%
Liquid assets & others	10.06%	11.49%	8.58%
<b>CIMB-Principal Greater China Equity Fund</b> <sup>Note 18</sup>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Schroder ISF Greater China Fund	98.23%	97.99%	97.69%
Liquid assets & others	1.77%	2.01%	2.31%

Source: CIMB-Principal Asset Management Berhad

The asset allocation data as at 30 April 2016 are not yet available.

**Notes:**

- Note 1** - For EF, asset allocation was reduced from 93.47% as at 30 June 2014 to 86.92% as at 30 June 2015 as the Fund took profit in view of the persistent selling on mid-small cap stocks, especially in the oil & gas sector.
- Note 2** - For AEF, the portfolio was 92.77% invested in equities as at 30 June 2015 and this was similar with the position as at 30 June 2014.
- Note 3** - For BIF, the asset allocation for equities decreased from 59.61% to 51.74% as at 31 August 2015, in line with our strategy of repositioning the Fund amidst our cautious view on the market, while the bonds exposure increased from 33.66% to 39.09% as at 31 August 2015.
- Note 4** - For DF, the Fund remained fully invested in deposits with financial institutions during the financial year under review. A minimum level of cash and other net assets was maintained primarily for liquidity purposes.
- Note 5** - For CAEF, the Fund was fully invested during the financial year under review. A minimal level of liquid assets was maintained primarily for liquidity purposes.
- Note 6** - For CIIEF, the Fund has deployed cash towards the end of the financial year under review as the outlook for China, India and Indonesia is more balanced with improving signs of liquidity (stabilising Emerging Market ("EM") currencies, equity fund inflows) and underweight investor positioning in EM, balanced against earnings risks. As earnings growth is expected to be muted amidst a slow growth environment, the Fund is positioned in stocks with quality growth, earnings visibility and improving cash flow.
- Note 7** - For KLF, the Fund remained fully invested during the financial year under review. A minimal level of liquid assets was maintained primarily for liquidity purposes.
- Note 8** - For EAF3, equity allocation increased from 72.93% as at 31 December 2014 to 90.14% as at 31 December 2015 as we raised exposure to stocks which are beneficiaries of the stronger USD.
- Note 9** - For SCF, Asset allocation rose from 71.33% as at 31 December 2014 to 90.90% as at 31 December 2015 as we raised exposure to stocks which are beneficiaries of the stronger USD.
- Note 10** - For BF, Equity exposure was raised over the last one year as we increased our holdings mostly in exporters. The Fund was 66.18% invested in domestic equities as of 31 December 2015, which was an increase from 53.53% a year ago. The fixed income portion decreased from 38.49% to 28.52% due to redemption.
- Note 11** - For IPBF, Equity exposure was lowered in the first 8 months as the market was affected by the selling pressure due to capital outflows amidst the weakening MYR. Subsequently, equity exposure was raised in fourth quarter of 2015 as the market rebounded on news that the Malaysian government was allocating RM20 billion to ValueCap to buy up good value stocks. As at 31 December 2015, local equity exposure stood at 31.64% compared to 28.31% last

year. However, the unquoted fixed income securities portion was reduced slightly from 63.33% to 62.36% a year ago.

- Note 12** - For BOF, the Fund is 95.96% invested in unquoted fixed income securities while 4.04% in cash and other net assets for liquidity purposes.
- Note 13** - For SBF, the Fund was 95.85% invested in bonds as at 31 December 2015 with cash and other net assets being maintained at 4.15% for liquidity purposes.
- Note 14** - For MMIF, the Fund remained invested with 77.28% of the Fund's NAV in high quality debt papers and the remaining 22.72% in cash and other net assets.
- Note 15** - For EIF, Asset allocation increased from 91.56% as at 31 January 2015 to 94.63% as at 31 January 2016 as we raised exposure to stocks which are beneficiaries of the stronger USD.
- Note 16** - For EAF1, asset allocation increased from 87.95% as at 30 April 2014 to 96.89% as at 30 April 2015 due to our positive outlook on the market as a result of continued easy monetary conditions globally with the exception of the US.
- Note 17** - For EGIF, as at 30 April 2014, 89.94% of the Fund's NAV was invested in quoted securities as compared to 88.48% in the previous financial year due to our positive outlook on the market as a result of continued easy monetary conditions globally with the exception of the US.
- Note 18** - For GCEF, The allocation into target funds increased from 97.99% to 98.23%. A minimal level of liquid assets was maintained primarily for liquidity purposes.

Past performance of the Funds is not an indication of its future performance.

# HISTORICAL HIGHLIGHTS OF THE FUNDS

## FINANCIAL STATEMENTS OF THE FUNDS

### CIMB-Principal Equity Aggressive Fund 1 – FYE: 30 April

Income Statement	2015 RM	2014 RM	2013 RM
Total investment income	545,212	20,522,866	12,060,124
Total expenses	3,386,047	2,805,395	3,130,617
Net (loss)/income before taxation	(2,840,835)	17,717,471	8,929,507
Net (loss)/income after taxation	(2,841,134)	17,557,940	8,664,461
<b>Statement of assets and liabilities</b>			
	2015 RM	2014 RM	2013 RM
Total investment	92,449,692	98,422,130	95,842,428
Total other assets	4,408,534	16,785,305	20,721,466
Total assets	96,858,226	115,207,435	116,563,894
Total liabilities	1,445,876	3,297,189	12,644,640
Net assets attributable to Unit holders	95,412,350	111,910,246	103,919,254
NAV per unit (RM) (ex-distribution)	0.8448	0.9145	0.8231

**Note:** As at LPD, the latest audited financial statement as at 30 April 2016 for the CIMB-Principal Equity Aggressive Fund 1 is not yet available.

### CIMB-Principal Equity Growth & Income Fund – FYE: 30 April

Income Statement	2015 RM	2014 RM	2013 RM
Total investment income	14,751,135	17,745,504	16,428,565
Total expenses	3,072,300	3,083,168	3,229,946
Net (loss)/income before taxation	11,678,835	14,662,336	13,198,619
Net (loss)/income after taxation	11,472,215	14,586,238	12,972,129
<b>Statement of assets and liabilities</b>			
	2015 RM	2014 RM	2013 RM
Total investment	110,820,936	94,197,173	91,952,463
Total other assets	16,723,215	13,591,865	10,264,376
Total assets	127,544,151	107,789,038	102,216,839
Total liabilities	4,340,399	1,328,912	1,640,531
Net assets attributable to Unit holders	123,203,752	106,460,126	100,576,308
NAV per unit (RM) (ex-distribution)	1.3786	1.3192	1.2235

**Note:** As at LPD, the latest audited financial statement as at 30 April 2016 for CIMB-Principal Equity Growth & Income Fund is not yet available.

### CIMB-Principal Greater China Equity Fund – FYE: 30 April

Income Statement	2015 RM	2014 RM	2013 RM
Total investment income	55,978,898	32,016,531	9,004,064
Total expenses	2,835,938	3,545,350	4,482,990
Net (loss)/income before taxation	53,142,960	28,471,181	4,521,074
Net (loss)/income after taxation	53,142,960	28,471,181	4,521,074
<b>Statement of assets and liabilities</b>			
	2015 RM	2014 RM	2013 RM
Total investment	183,545,709	153,415,668	199,517,242
Total other assets	9,514,473	4,278,957	5,912,875
Total assets	193,060,182	157,694,625	205,430,117
Total liabilities	6,205,625	1,139,612	1,186,993
Net assets attributable to Unit holders	186,854,557	156,555,013	204,243,124
NAV per unit (RM) (ex-distribution)	0.6866	0.4827	0.4176

**Note:** As at LPD, the latest audited financial statement as at 30 April 2016 for the CIMB-Principal Greater China Equity Fund is not yet available.

**CIMB-Principal Equity Fund – FYE: 30 June**

<b>Income Statement</b>	<b>2015 RM</b>	<b>2014 RM</b>	<b>2013 RM</b>
Total investment income	(18,154,912)	78,101,632	95,306,691
Total expenses	12,133,514	11,994,613	10,198,424
Net (loss)/income before taxation	(30,288,426)	66,107,019	85,108,267
Net (loss)/income after taxation	(30,446,715)	66,001,535	84,513,071
<b>Statement of assets and liabilities</b>			
	<b>2015 RM</b>	<b>2014 RM</b>	<b>2013 RM</b>
Total investment	448,673,273	551,484,999	452,746,708
Total other assets	71,896,947	41,763,026	42,231,826
Total assets	520,570,220	593,248,025	494,978,534
Total liabilities	4,350,690	3,229,786	1,615,959
Net assets attributable to Unit holders	516,219,530	590,018,239	493,362,575
NAV per unit (RM) (ex-distribution)	1.7272	1.9394	1.8240

**CIMB-Principal Asian Equity Fund – FYE: 30 June**

<b>Income Statement</b>	<b>2015 RM</b>	<b>2014 RM</b>	<b>2013 RM</b>
Total investment income	8,250,677	7,619,154	5,805,529
Total expenses	964,985	962,262	1,236,709
Net (loss)/income before taxation	7,285,692	6,656,892	4,568,820
Net (loss)/income after taxation	7,198,202	6,600,235	4,491,675
<b>Statement of assets and liabilities</b>			
	<b>2015 RM</b>	<b>2014 RM</b>	<b>2013 RM</b>
Total investment	37,962,484	27,427,281	29,025,096
Total other assets	3,281,617	2,297,629	2,737,945
Total assets	41,244,101	29,724,910	31,763,041
Total liabilities	324,837	334,330	485,088
Net assets attributable to Unit holders	40,919,264	29,390,580	31,277,953
NAV per unit (RM) (ex-distribution)	0.6718	0.5355	0.4307

**CIMB-Principal Balanced Income Fund – FYE: 31 August**

<b>Income Statement</b>	<b>2015 RM</b>	<b>2014 RM</b>	<b>2013 RM</b>
Total investment income	(17,497,567)	53,742,378	31,628,430
Total expenses	7,332,511	8,556,766	8,759,556
Net (loss)/income before taxation	(24,830,078)	45,185,612	22,868,874
Net (loss)/income after taxation	(24,830,078)	45,271,810	22,398,219
<b>Statement of assets and liabilities</b>			
	<b>2015 RM</b>	<b>2014 RM</b>	<b>2013 RM</b>
Total investment	255,203,861	388,667,012	359,242,015
Total other assets	34,016,773	42,754,109	67,091,462
Total assets	289,220,634	431,421,121	426,333,477
Total liabilities	8,236,851	14,733,235	20,791,628
Net assets attributable to Unit holders	280,983,783	416,687,886	405,541,849
NAV per unit (RM) (ex-distribution)	0.7607	0.8744	0.8332

**CIMB-Principal Deposit Fund – FYE: 31 August**

<b>Income Statement</b>	<b>2015 RM</b>	<b>2014 RM</b>	<b>2013 RM</b>
Total investment income	26,801,447	19,871,498	25,733,245
Total expenses	3,708,277	2,870,490	3,957,592
Net (loss)/income before taxation	23,093,170	17,001,008	21,775,653
Net (loss)/income after taxation	23,093,170	17,001,008	21,775,653
<b>Statement of assets and liabilities</b>			
	<b>2015 RM</b>	<b>2014 RM</b>	<b>2013 RM</b>
Total investment	679,727,246	664,186,937	594,783,424
Total other assets	5,244,056	443,174	227,525
Total assets	684,971,302	664,630,111	595,010,949
Total liabilities	2,311,125	706,011	9,502,452
Net assets attributable to Unit holders	682,660,177	663,924,100	585,508,497
NAV per unit (RM) (ex-distribution)	1.0002	1.0002	1.0000

**CIMB-Principal Australian Equity Fund – FYE: 30 September**

<b>Income Statement</b>	<b>2015 RM</b>	<b>2014 RM</b>	<b>2013 RM</b>
Total investment income	915,515	(153,310)	8,029,318
Total expenses	506,088	660,448	924,698
Net (loss)/income before taxation	409,427	(813,758)	7,104,620
Net (loss)/income after taxation	390,924	(833,685)	7,074,110
<b>Statement of assets and liabilities</b>	<b>2015 RM</b>	<b>2014 RM</b>	<b>2013 RM</b>
Total investment	16,957,574	29,433,471	37,307,118
Total other assets	371,529	929,382	1,064,459
Total assets	17,329,103	30,362,853	38,371,577
Total liabilities	168,521	164,351	751,349
Net assets attributable to Unit holders	17,160,582	30,198,502	37,620,228
NAV per unit (RM) (ex-distribution)	0.3072	0.3100	0.3187

**CIMB-Principal China-India-Indonesia Equity Fund – FYE: 30 September**

<b>Income Statement</b>	<b>2015 RM</b>	<b>2014 RM</b>	<b>2013 RM</b>
Total investment income	7,025,364	8,011,126	7,465,271
Total expenses	1,497,632	1,199,654	1,997,952
Net (loss)/income before taxation	5,527,732	6,811,472	5,467,319
Net (loss)/income after taxation	5,282,798	6,637,229	5,343,154
<b>Statement of assets and liabilities</b>	<b>2015 RM</b>	<b>2014 RM</b>	<b>2013 RM</b>
Total investment	42,016,789	29,319,452	41,949,927
Total other assets	2,304,052	3,529,359	1,990,673
Total assets	44,320,841	32,848,811	43,940,600
Total liabilities	1,575,952	294,431	765,639
Net assets attributable to Unit holders	42,744,889	32,554,380	43,174,961
NAV per unit (RM) (ex-distribution)	0.3200	0.2714	0.2282

**CIMB-Principal KLCI-Linked Fund – FYE: 30 September**

<b>Income Statement</b>	<b>2015 RM</b>	<b>2014 RM</b>	<b>2013 RM</b>
Total investment income	(2,358,059)	2,138,912	3,331,380
Total expenses	315,812	354,222	404,284
Net (loss)/income before taxation	(2,673,871)	1,784,690	2,927,096
Net (loss)/income after taxation	(2,562,089)	1,712,648	2,856,579
<b>Statement of assets and liabilities</b>	<b>2015 RM</b>	<b>2014 RM</b>	<b>2013 RM</b>
Total investment	21,457,696	26,024,794	27,130,992
Total other assets	217,334	1,103,638	1,545,012
Total assets	21,675,030	27,128,432	28,676,004
Total liabilities	53,954	66,722	48,775
Net assets attributable to Unit holders	21,621,076	27,061,710	28,627,229
NAV per unit (RM) (ex-distribution)	1.1987	1.3343	1.2582

**CIMB-Principal Equity Aggressive Fund 3 – FYE: 31 December**

<b>Income Statement</b>	<b>2015 RM</b>	<b>2014 RM</b>	<b>2013 RM</b>
Total investment income	2,728,215	(3,217,917)	18,033,326
Total expenses	2,274,615	2,634,260	2,594,016
Net (loss)/income before taxation	453,600	(5,852,177)	15,439,310
Net (loss)/income after taxation	453,198	(5,906,401)	15,296,355
<b>Statement of assets and liabilities</b>	<b>2015 RM</b>	<b>2014 RM</b>	<b>2013 RM</b>
Total investment	64,514,900	56,379,193	88,309,353
Total other assets	7,285,821	21,640,563	4,595,471
Total assets	71,800,721	78,019,756	92,904,824
Total liabilities	239,027	779,378	1,069,618
Net assets attributable to Unit holders	71,561,694	77,240,378	91,835,206

**CIMB-Principal KLCI-Linked Fund – FYE: 30 September**

NAV per unit (RM) (ex-distribution)	1.0838	1.0767	1.1590
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**CIMB-Principal Small Cap Fund – FYE: 31 December**

<b>Income Statement</b>	<b>2015 RM</b>	<b>2014 RM</b>	<b>2013 RM</b>
Total investment income	19,200,270	12,401,034	43,422,311
Total expenses	3,973,038	5,083,976	4,018,560
Net (loss)/income before taxation	15,227,232	7,317,058	39,403,751
Net (loss)/income after taxation	15,227,232	7,286,502	39,282,613

<b>Statement of assets and liabilities</b>	<b>2015 RM</b>	<b>2014 RM</b>	<b>2013 RM</b>
Total investment	140,033,466	120,137,812	132,270,778
Total other assets	17,123,327	50,439,073	21,967,254
Total assets	157,156,793	170,576,885	154,238,032
Total liabilities	3,105,472	2,165,184	7,030,279
Net assets attributable to Unit holders	154,051,321	168,411,701	147,207,753

NAV per unit (RM) (ex-distribution)	0.8594	0.7743	0.7296
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**CIMB-Principal Balanced Fund – FYE: 31 December**

<b>Income Statement</b>	<b>2015 RM</b>	<b>2014 RM</b>	<b>2013 RM</b>
Total investment income	8,895,090	(3,896,504)	14,427,047
Total expenses	3,001,782	3,508,257	2,713,555
Net (loss)/income before taxation	5,893,308	(7,404,761)	11,713,492
Net (loss)/income after taxation	5,881,446	(7,420,138)	11,673,626

<b>Statement of assets and liabilities</b>	<b>2015 RM</b>	<b>2014 RM</b>	<b>2013 RM</b>
Total investment	88,039,927	126,501,446	98,563,874
Total other assets	5,415,425	11,583,656	6,460,567
Total assets	93,455,352	138,085,102	105,024,441
Total liabilities	509,004	608,272	645,513
Net assets attributable to Unit holders	92,946,348	137,476,830	104,378,928

NAV per unit (RM) (ex-distribution)	0.4505	0.4572	0.5094
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**CIMB-Principal Income Plus Balanced Fund – FYE: 31 December**

<b>Income Statement</b>	<b>2015 RM</b>	<b>2014 RM</b>	<b>2013 RM</b>
Total investment income	5,320,243	1,216,934	10,373,062
Total expenses	1,996,120	2,421,120	2,907,156
Net (loss)/income before taxation	3,324,123	(1,204,186)	7,465,906
Net (loss)/income after taxation	3,322,743	(1,211,680)	7,456,939

<b>Statement of assets and liabilities</b>	<b>2015 RM</b>	<b>2014 RM</b>	<b>2013 RM</b>
Total investment	81,421,344	94,029,227	112,405,985
Total other assets	3,553,301	6,561,735	3,505,156
Total assets	84,974,645	100,590,962	115,911,141
Total liabilities	499,676	668,138	710,312
Net assets attributable to Unit holders	84,474,969	99,922,824	115,200,829

NAV per unit (RM) (ex-distribution)	0.3250	0.3351	0.3611
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**CIMB-Principal Bond Fund – FYE: 31 December**

<b>Income Statement</b>	<b>2015 RM</b>	<b>2014 RM</b>	<b>2013 RM</b>
Total investment income	10,517,204	14,640,075	26,958,730
Total expenses	2,787,258	3,592,237	6,036,230
Net (loss)/income before taxation	7,729,946	11,047,838	20,922,500
Net (loss)/income after taxation	7,729,946	11,047,838	20,926,371

<b>Statement of assets and liabilities</b>	<b>2015 RM</b>	<b>2014 RM</b>	<b>2013 RM</b>
Total investment	220,112,427	266,131,442	410,747,135
Total other assets	27,015,044	9,545,404	14,223,525

Total assets	247,127,471	275,676,846	424,970,660
Total liabilities	17,754,440	1,101,417	1,551,886
Net assets attributable to Unit holders	229,373,031	274,575,429	423,418,774
NAV per unit (RM) (ex-distribution)	1.1577	1.1860	1.2079

#### CIMB-Principal Strategic Bond Fund – FYE: 31 December

<b>Income Statement</b>	<b>2015 RM</b>	<b>2014 RM</b>	<b>2013 RM</b>
Total investment income	1,958,473	2,600,143	4,927,123
Total expenses	608,553	764,168	1,055,133
Net (loss)/income before taxation	1,349,920	1,835,975	3,871,990
Net (loss)/income after taxation	1,349,920	1,844,553	3,870,721

<b>Statement of assets and liabilities</b>	<b>2015 RM</b>	<b>2014 RM</b>	<b>2013 RM</b>
Total investment	37,450,390	49,737,634	65,460,728
Total other assets	1,720,781	8,502,155	7,689,096
Total assets	39,171,171	58,239,789	73,149,824
Total liabilities	98,449	94,837	1,374,491
Net assets attributable to Unit holders	39,072,722	58,144,952	71,775,333

NAV per unit (RM) (ex-distribution)	1.0740	1.1060	1.1588
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#### CIMB-Principal Money Market Income Fund – FYE: 31 December

<b>Income Statement</b>	<b>2015 RM</b>	<b>2014 RM</b>	<b>2013 RM</b>
Total investment income	3,581,819	5,769,831	8,140,099
Total expenses	716,991	1,152,534	1,701,473
Net (loss)/income before taxation	2,864,828	4,617,297	6,438,626
Net (loss)/income after taxation	2,864,828	4,617,297	6,438,626

<b>Statement of assets and liabilities</b>	<b>2015 RM</b>	<b>2014 RM</b>	<b>2013 RM</b>
Total investment	65,403,939	59,516,087	138,481,145
Total other assets	19,294,091	35,056,406	62,837,232
Total assets	84,698,030	94,572,493	201,318,377
Total liabilities	70,828	263,089	1,363,684
Net assets attributable to Unit holders	84,627,202	94,309,404	199,954,693

NAV per unit (RM) (ex-distribution)	1.0079	1.0176	1.0266
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#### CIMB-Principal Equity Income Fund – FYE: 31 January

<b>Income Statement</b>	<b>2016 RM</b>	<b>2015 RM</b>	<b>2014 RM</b>
Total investment income	(687,249)	8,262,584	8,607,285
Total expenses	1,506,838	1,428,689	1,457,892
Net (loss)/income before taxation	(2,194,087)	6,833,895	7,149,393
Net (loss)/income after taxation	(2,280,294)	6,770,427	7,103,749

<b>Statement of assets and liabilities</b>	<b>2016 RM</b>	<b>2015 RM</b>	<b>2014 RM</b>
Total investment	40,780,577	49,622,445	41,987,536
Total other assets	3,666,456	5,603,850	3,429,207
Total assets	44,447,033	55,226,295	45,416,743
Total liabilities	1,353,477	1,027,719	110,408
Net assets attributable to Unit holders	43,093,556	54,198,576	45,306,335

NAV per unit (RM) (ex-distribution)	1.1703	1.3057	1.2038
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## TOTAL ANNUAL EXPENSES

The following table shows the total annual expenses incurred by the Funds in the past financial year/period:

Funds	Management Fee		Trustee Fee		Other expenses		Total annual expenses	
	RM	%	RM	%	RM	%	RM	%
<b>As at 30 April 2015, in %</b>								
CIMB-Principal Equity Aggressive Fund 1	1,591,342	1.67	63,651	0.07	1,731,054	1.81	3,386,047	3.55
CIMB-Principal Equity Growth & Income Fund	1,666,764	1.35	400,434	0.33	1,005,102	0.82	3,072,300	2.50
CIMB-Principal Greater China Equity Fund	2,675,694	1.43	118,920	0.06	41,324	0.02	2,835,935	1.51
<b>As at 30 June 2015, in %</b>								
CIMB-Principal Equity Fund	8,410,433	1.63	105,305	0.02	3,617,776	0.70	12,133,514	2.35
CIMB-Principal Asian Equity Fund	606,479	1.48	53,623	0.13	304,883	0.75	964,985	2.36
<b>As at 31 August 2015, in %</b>								
CIMB-Principal Balanced Income Fund	4,954,953	1.76	80,693	0.03	2,296,865	0.82	7,332,511	2.61
CIMB-Principal Deposit Fund	3,302,775	0.48	293,580	0.04	111,922	0.02	3,708,277	0.54
<b>As at 30 September 2015, in %</b>								
CIMB-Principal Australian Equity Fund	455,695	2.66	20,253	0.12	30,140	0.18	506,088	2.96
CIMB-Principal China-India-Indonesia Equity Fund	805,418	1.88	268,955	0.63	423,259	0.99	1,497,632	3.50
CIMB-Principal KLCI-Linked Fund	233,960	1.08	17,239	0.08	64,613	0.30	315,812	1.46
<b>As at 31 December 2015, in %</b>								
CIMB-Principal Equity Aggressive Fund 3	1,350,001	1.89	58,378	0.08	866,236	1.21	2,274,615	3.18
CIMB-Principal Small Cap Fund	2,208,254	1.43	103,052	0.07	1,661,732	1.08	3,973,038	2.58
CIMB-Principal Balanced Fund	2,030,320	2.19	87,798	0.09	883,664	0.95	3,001,782	3.23
CIMB-Principal Income Plus Balanced Fund	1,634,828	1.94	73,185	0.09	288,107	0.34	1,996,120	2.37
CIMB-Principal Bond Fund	2,510,739	1.09	125,537	0.05	150,982	0.07	2,787,258	1.21
CIMB-Principal Strategic Bond Fund	480,330	1.23	64,272	0.16	63,951	0.16	608,553	1.55
CIMB-Principal Money Market Income Fund	640,048	0.76	27,431	0.03	49,512	0.06	716,991	0.85
<b>As at 31 January 2016, in %</b>								
CIMB-Principal Equity Income Fund	909,985	2.11	63,464	0.15	533,389	1.24	1,506,838	3.50

As at LPD, the latest audited figures as at 30 April 2016 are not yet available.

## MANAGEMENT EXPENSE RATIO (“MER”)

The following table shows the management expense ratio (“MER”) of the Funds for the three (3) most recent financial years:

Financial Year Ended	30 April 2015	30 April 2014	30 April 2013
CIMB-Principal Equity Aggressive Fund 1	1.62	1.61	1.61
CIMB-Principal Equity Growth & Income Fund <sup>Note 1</sup>	2.02	2.13	3.14
CIMB-Principal Greater China Equity Fund	1.91	1.90	1.90
Financial Year Ended	30 June 2015	30 June 2014	30 June 2013
CIMB-Principal Equity Fund	1.56	1.55	1.52
CIMB-Principal Asian Equity Fund	2.22	2.37	2.25
Financial Year Ended	30 August 2015	30 August 2014	30 August 2013
CIMB-Principal Balanced Income Fund	1.59	1.55	1.55
CIMB-Principal Deposit Fund	0.50	0.49	0.50
Financial Year Ended	30 September 2015	30 September 2014	30 September 2013
CIMB-Principal Australian Equity Fund	2.00	1.94	1.94
CIMB-Principal China-India-Indonesia Equity Fund	2.57	2.40	2.43
CIMB-Principal KLCI-Linked Fund	1.19	1.16	1.16
Financial Year Ended	31 December 2015	31 December 2014	31 December 2013
CIMB-Principal Equity Aggressive Fund 3	2.09	1.99	1.97
CIMB-Principal Small Cap Fund	1.68	1.61	1.62
CIMB-Principal Balanced Fund	2.08	1.97	1.98
CIMB-Principal Income Plus Balanced Fund	2.02	1.97	1.97
CIMB-Principal Bond Fund	1.11	1.06	1.06
CIMB-Principal Strategic Bond Fund	1.24	1.13	1.13
CIMB-Principal Money Market Income Fund	0.78	0.75	0.74
Financial Year Ended	31 January 2016	31 January 2015	31 January 2014
CIMB-Principal Equity Income Fund	2.32	2.14	2.16

As at LPD, the latest audited figures as at 30 April 2016 are not yet available.

**Note 1** - The changes in MER is because of the decrease in the average NAV of the Fund.

The audited financial statements of the Funds are disclosed in the respective Fund’s annual report and are available upon request.

Past performance of the Funds is not an indication of the Funds’ future performance.

The Funds’ annual reports are available upon request.

# FEES, CHARGES AND EXPENSES

## CHARGES

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

## APPLICATION FEE

When applying unit of the Funds, you may be charged an Application Fee based on the NAV per unit of the respective funds, which may differ between distribution channels. The table below shows the maximum Application Fee that may be charged.

	Maximum Application Fee (% of the NAV per unit)*	
	CWA %	IUTAs %
<b>Equity Funds</b>		
CIMB-Principal Equity Fund	6.50	6.50
CIMB-Principal Equity Aggressive Fund 1	6.50	6.50
CIMB-Principal Equity Aggressive Fund 3	5.00	5.00
CIMB-Principal Equity Growth & Income Fund	6.50	6.50
CIMB-Principal Equity Income Fund	6.50	6.50
CIMB-Principal Small Cap Fund	6.00	6.00
CIMB-Principal KLCI-Linked Fund	5.50	5.50
<b>Mixed Asset Funds</b>		
CIMB-Principal Balanced Fund	5.00	5.00
CIMB-Principal Balanced Income Fund	6.50	6.50
CIMB-Principal Income Plus Balanced Fund	5.00	5.00
<b>Fixed Income &amp; Money Market Funds</b>		
CIMB-Principal Bond Fund	2.00	2.00
CIMB-Principal Strategic Bond Fund	2.00	2.00
CIMB-Principal Deposit Fund	Nil	Nil
CIMB-Principal Money Market Income Fund	Nil	Nil
<b>Regional &amp; Global Funds</b>		
CIMB-Principal Asian Equity Fund	6.50	6.50
CIMB-Principal Australian Equity Fund	6.50	5.50
CIMB-Principal China-India-Indonesia Equity Fund	6.50	5.50
CIMB-Principal Greater China Equity Fund**	5.50	5.50

\* Notwithstanding the maximum Application Fee disclosed above, you may negotiate with the distributors for lower charges. If you invest via EPF's Members Investment Scheme, you may be charged an Application Fee of up to 3.00% of the NAV per unit, or such other rate as may be determined by the EPF.

**Note:** Please refer to the "Calculation of investment amount and units entitlement" section in the "Transaction Information" chapter for an illustration on how the Application Fee is calculated. The Application Fee imposed will be rounded using the normal rounding policy to two (2) decimal places.

## WITHDRAWAL FEE

There is no Withdrawal Fee for withdrawals from any of the Funds.

## DILUTION FEE

Dilution fee is only applicable for Funds that invest in Target Funds e.g. GCEF.

Dilution fee is an allowance for fiscal and other charges that is added to (for application for units) or deducted from (for redemption of units) the net asset value per unit of the Target Fund to reflect the costs of investing or the cost of disposal of the underlying assets of the Target Fund. The dilution fee is intended to be used to ensure that all investors in the Target Fund are treated equitably by allocating transaction costs to the investors whose transactions give rise to those costs.

The dilution fee imposed may differ from one Target Fund to another depending on the policy and/or requirements imposed by the respective Target Funds.

**Note:** Dilution fee refers to the dilution adjustment that may be charged on GCEF.

**Illustration on how dilution fee is imposed**

For the illustration below, we assume that GCEF intends to invest RM 40 million into the Target Fund and the size of the subscription exceeds 1% of the Target Fund's NAV. We also assume that the NAV per unit of the Target Fund is USD 1.20 and the adjustment imposed is 0.08% on that NAV per unit and the exchange rate used is RM 4.00 : USD 1.

Calculation of investment amount in USD  
 = RM40,000,000 / RM4.00  
 = USD10,000,000.00

Calculation of number of units received by GCEF  
 = Investment amount / [NAV per unit of PGI fund x (1 + adjustment rate)]  
 = USD10,000,000.00 / [USD1.20 x (1 + 0.08)]  
 = 7,716,049.38 units

Calculation of net investment in USD  
 = Number of units received by GCEF x NAV per unit of Target Fund  
 = 7,716,049.38 units x USD1.20  
 = USD9,259,259.26

Calculation of dilution fee imposed in RM  
 = (USD10,000,000.00 - USD9,259,259.26) x 4.00  
 = RM2,962,962.96

**SWITCHING FEE**

Since switching is treated as a withdrawal from one (1) fund and an investment into another fund, you will be charged a Switching Fee equal to the difference (if any) between the Application Fees of these two (2) funds when you switch from one fund to another.

For example, you have invested in a fund with an Application Fee of 2.00% on the NAV per unit and now wish to switch to another fund which has an Application Fee of 5.50% on the NAV per unit. Hence, we will impose a Switching Fee of 3.50% on the NAV per unit (being the difference between 2% and 5.50%) on the amount switched.

In addition, we may impose a RM100 administrative fee for every switch made out of a our Fund. However, we have the discretion to waive the Switching Fee and/or administrative fees.

If you are switching out from a fund that imposes Withdrawal Fee, your switching will be subject to the Withdrawal Fee. You may also negotiate for a lower Switching Fee and/or Withdrawal Fee, but we have the discretion to reject any such applications.

**TRANSFER FEE**

You may be charged a Transfer Fee of not more than RM50.00 for each transfer.

**FEES AND EXPENSES**

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

**MANAGEMENT FEE**

Table below stipulates the annual Management Fee for the respective Funds, based on the NAV of the Fund. The Management Fee shall be accrued daily based on the NAV of the Fund and paid monthly.

Funds	Management Fee (% p.a. of the NAV of the Fund)
<b>Equity Funds</b>	
CIMB-Principal Equity Fund	1.50
CIMB-Principal Equity Aggressive Fund 1	1.50
CIMB-Principal Equity Aggressive Fund 3	1.85
CIMB-Principal Equity Growth & Income Fund	1.50
CIMB-Principal Equity Income Fund	1.85
CIMB-Principal Small Cap Fund	1.50
CIMB-Principal KLCI-Linked Fund	0.95
<b>Mixed Asset Funds</b>	

Funds	Management Fee (% p.a. of the NAV of the Fund)
CIMB-Principal Balanced Fund	1.85
CIMB-Principal Balanced Income Fund	1.50
CIMB-Principal Income Plus Balanced Fund	1.85
<b>Fixed Income &amp; Money Market Funds</b>	
CIMB-Principal Bond Fund	1.00
CIMB-Principal Strategic Bond Fund	1.00
CIMB-Principal Deposit Fund	0.45
CIMB-Principal Money Market Income Fund	0.70
<b>Regional &amp; Global Funds</b>	
CIMB-Principal Asian Equity Fund	1.85
CIMB-Principal Australian Equity Fund	1.80
CIMB-Principal China-India-Indonesia Equity Fund	1.80
CIMB-Principal Greater China Equity Fund	1.80

**Illustration on how the Management Fee is calculated**

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

If the NAV of the CIMB-Principal Bond Fund is RM500 million, then  
Management Fee for the day = RM500 million x 1.00% per annum / 365 days  
= RM13,698.63

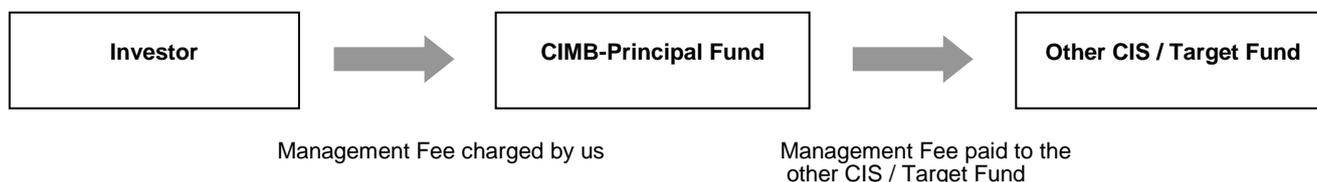
**Note:** In the event of a leap year, the computation will be based on 366 calendar days.

As required under the SC Guidelines, where the Fund invests in collective investment schemes (including ETF) that are managed by us:

- we will ensure that the Application Fee will only be charged once, that is at the fund level. All initial charges applicable for investments in the CIS will be waived ; and
- we will ensure that the Management Fee will only be charged once, either at the Fund level or the CIS level, i.e. no double charging of Management Fee.

Please note that although at least 95% of the NAV of CAEF and GCEF are invested in collective investment schemes / Target Funds, no additional Management Fee will be charged to the Fund.

For CAEF and GCEF, you are subject to the Management Fee imposed by us at the fund level only. We will pay the applicable Management Fee imposed by the Target Fund/ CIS out of the Management Fee that we received from you. You will not be charged additional Management Fee, i.e. there shall be no double charging of Management Fee.



**Management fee charged by the other CIS / Target Fund will be paid out of the Management Fee charged by us.**

**THERE IS NO DOUBLE CHARGING OF MANAGEMENT FEE**

**TRUSTEE FEE**

Table below stipulates the annual Trustee Fee and custodian fee for the respective Fund, based on the NAV of the Fund. The Trustee Fee and custodian fee shall be accrued daily based on the NAV of the Fund and paid monthly.

Funds	Trustee	Trustee Fee (% p.a. of the NAV of the Fund) [See NOTE 1]	Local custodian fee	Foreign custodian fee
<b>Equity Funds</b>				
CIMB-Principal Equity Fund <sup>#</sup>	UTMB	<b>NOTE 3</b>	RM25,000 p.a.	Nil
CIMB-Principal Equity Aggressive Fund 1	ART	0.06	Nil	Nil

Funds	Trustee	Trustee Fee (% p.a. of the NAV of the Fund) [See NOTE 1]	Local custodian fee	Foreign custodian fee
CIMB-Principal Equity Aggressive Fund 3	MTB	0.08	NOTE 2	Nil
CIMB-Principal Equity Growth & Income Fund	ART	0.07	Nil	NOTE 4
CIMB-Principal Equity Income Fund	UTMB	0.06	Nil	NOTE 4
CIMB-Principal Small Cap Fund	MTB	0.07	NOTE 2	Nil
CIMB-Principal KLCI-Linked Fund	HSBCT	0.07	Nil	Nil
<b>Mixed Asset Funds</b>				
CIMB-Principal Balanced Fund	MTB	0.08	NOTE 2	Nil
CIMB-Principal Balanced Income Fund	UTMB	NOTE 3	RM20,000 p.a.	Nil
CIMB-Principal Income Plus Balanced Fund	MTB	0.08	NOTE 2	NOTE 4
<b>Fixed Income &amp; Money Market Funds</b>				
CIMB-Principal Bond Fund	PBTBSB	0.05	NOTE 2	Nil
CIMB-Principal Strategic Bond Fund	MTB	0.05	NOTE 2	Nil
CIMB-Principal Deposit Fund	HSBCT	0.04	Nil	Nil
CIMB-Principal Money Market Income Fund	MTB	0.03	NOTE 2	Nil
<b>Regional &amp; Global Funds</b>				
CIMB-Principal Asian Equity Fund	UTMB	0.035	Nil	NOTE 4
CIMB-Principal Australian Equity Fund	HSBCT	0.08	NOTE 2	NOTE 4
CIMB-Principal China-India-Indonesia Equity Fund	UTMB	0.08	NOTE 2	NOTE 4
CIMB-Principal Greater China Equity Fund	HSBCT	0.08	NOTE 2	NOTE 4

**NOTE 1** – The annual Trustee Fee is accrued daily based on the NAV of the Fund and paid monthly.

**NOTE 2** – The Trustee Fee includes the local custodian fee but excludes the foreign sub-custodian fee (if any).

**NOTE 3** – The rates used for the computation of the annual Trustee Fee are as follows:

Size of the Fund	% p.a. of NAV of the Fund
First RM20 million	0.06
Next RM20 million	0.05
Next RM20 million	0.04
Next RM20 million	0.03
Next RM20 million	0.02
Any amount in excess of RM100 million	0.01

**NOTE 4** – Foreign custodian fee (applicable to EIF & AEF only)  
The foreign custodian fee (safekeeping fee and transaction fee, including out of pocket charges) is subject to a minimum of USD 500 per month per fund and is charged monthly in arrears.

The safekeeping fee ranges from a minimum of 0.04% p.a. to a maximum of 0.38% p.a. of the market value of the respective foreign portfolios, depending on the country invested.

The transaction fee is charged for every transaction and the amounts are dependent on the country invested.

Foreign custodian fee (applicable to EGIF only)

The foreign sub-custodian fee is dependent on the country invested and is charged monthly in arrears.

Foreign custodian fee (applicable to IPBF, CAEF, CIIEF & GCEF only)

The foreign sub-custodian fee is dependent on the country invested and is charged monthly in arrears.

#### **Illustration on how the Trustee Fee is calculated**

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

If the NAV of CIMB-Principal Bond Fund is RM500 million, then

Trustee Fee for the day = RM500 million x 0.05% per annum / 365 days  
= RM684.93

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

## Other costs of investing in the feeder funds

For feeder funds that invest in Target Fund/CIS, such as **CAEF and GCEF**, the Funds are subject to other fees and charges at the target fund/CIS level. These fees and charges are indirectly incurred by the feeder funds/CIS such as the annual custodian fees and transaction fees. The rates for these fees will vary according to the country of investment and, in some cases, according to asset class. Investments in bonds and developed equity markets will be at the lower end of the fee range, while some investments in emerging or developing markets will be at the upper end of the fee range. Thus, the custody and transaction costs to the Target Fund will depend on its asset allocation at any time.

Other fees borne by the Target Fund include operating and related expenses including but not limited to, stamp duties, taxes, commissions and other dealing costs, foreign exchange costs, bank charges, registration fees in relation to investments, insurance and security costs, fees and expenses of the auditor, the remuneration and expenses of its directors and officers, all expenses incurred in the collection of income and certain other expenses incurred in the administration of the Target Fund and in the acquisition, holding and disposal of investments. The Target Fund will also be responsible for the costs of preparing, translating, printing and distributing all its respective rating agencies, statements, notices, accounts, prospectuses and reports.

These fees and charges are imputed into the calculation of each of the Target Fund's NAV. As such, if you invest in a feeder fund, you are indirectly bearing the above fees and expenses charged at the Target Fund level.

## EXPENSES

The Deeds also provide for payment of other expenses. The major expenses recoverable directly from the Funds include:

- expenses incurred in the sale, purchase, insurance, custody and any other dealings of investments including commissions/fees paid to brokers and costs involved with external specialists approved by the Trustees in investigating and evaluating any proposed investment;
- (where the foreign custodial function is delegated by the Trustees), 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;
- tax (including but not limited to GST) and other duties imposed by the government and other authorities and bank fees;
- tax agent's and auditor's fees and expenses;
- valuation fees paid to independent valuers for the benefit of the Funds;
- costs incurred in modifying the Deeds for your benefit;
- cost of convening and holding meetings of Unit holders (other than those convened for our or the Trustees' benefit); and
- all costs, bank charges and expenses related to income distribution of the Funds; for example, postage and printing of all cheques, statements and notices to you.

We and the Trustees are required to ensure that any fees or charges payable are reasonable and in accordance with the Deeds which stipulate the maximum rate in percentage terms that can be charged. We will ensure that there is no double charging of management fees to be incurred by you when investing in the Funds.

We may alter the fees and charges (other than the Trustee Fee) within such limits, and subject to such provisions, as set out in the Deeds and the SC Guidelines.

We may, for any reason at any time, where applicable, waive, or reduce the amount of any fees (except the Trustee Fee) or other charges payable by you in respect of the Funds, either generally (for all investors) or specifically (for any particular investor) and for any period or periods of time at its absolute discretion.

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

## AUTODEBIT / STANDING INSTRUCTION

Autodebit and other standing instruction facilities are available at selected banks and handling charges will be borne by you. For more details, please contact our Customer Care Centre, the details of which are set out in the "Additional Information" chapter.

## REBATES AND SOFT COMMISSIONS

We, CIMB-Principal (S) and the Trustees (including our officers) will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investments of the Funds unless the soft commission received is retained in the form of goods and services such as financial wire services and stock quotations system incidental to investment management of the Funds. All dealings with brokers are executed on best available terms.

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

**All fees and charges payable by you and/or the Fund are subject to any applicable taxes (including but not limited to GST) and/or duties as may be imposed by the government or other authorities from time to time.**

**We have the discretion to amend the amount, rate and/or terms and conditions for the above-mentioned fees, charges and expenses from time to time, subject to the requirements stipulated in the Deeds of the Funds and/or SC Guidelines. Where necessary, the amendments will be notified to the Trustee. We will communicate to you if there are any amendments to the fees and charges.**

# TRANSACTION INFORMATION

## 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 unit pricing on a Business Day (i.e. the NAV per unit) that we receive the completed relevant transaction forms from you.

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

The valuation point of the Funds for a Business Day will depend on whether the portfolio consists of foreign investments.

### **For Funds without foreign investments:**

We will value the Fund for a Business Day at the close of the Bursa Malaysia for that Business Day (T day). The unit price for a Business Day is available on our website at <http://www.cimb-principal.com.my> after 10:00 a.m. on the following Business Day (T+1). We will also publish the unit pricing on the local dailies on the following Business Day (T+1).

### **For Funds with foreign investments:**

We will value the Fund for a 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/instruments to the Funds' base currency. Currently, the currency translation is based on the bid exchange rate quoted by Bloomberg/Reuters at UK time 4:00 p.m. (Malaysian time 11:00 p.m. or 12:00 a.m.) on the same day, or such other time as stipulated in the Investment Management Standards issued by the Federation of Investment Managers Malaysia. The unit price for a Business Day is available on our website at <http://www.cimb-principal.com.my> by 5:30 p.m. on the following Business Day (T+1). We will also publish the unit price on the local dailies two (2) Business Days later (T+2).

#### ***Illustration (for Funds with foreign investments)***

##### ***For a transaction made by 4:00 p.m. on a Business Day***

For market closed on 9 August 2016, we will calculate the unit price on the next Business Day, that is, 10 August 2016. The unit price will be available on our website by 5:30 p.m. on 10 August 2016. However, the publication date on local dailies will be on 11 August 2016.

##### ***For a transaction made after 4:00 p.m. on a Business Day***

For market closed on 9 August 2016, we will calculate the unit price two (2) days later, that is, 11 August 2016. The unit price will be available on our website by 5:30 p.m. on 11 August 2016. However, the publication date on local dailies will be on 12 August 2016.

Each Fund must be valued at least once for every Business Day. Unit price (i.e. the NAV per unit) is calculated by dividing the NAV of the Fund with the number of units in issue at the valuation point, as follows:

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

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

**Note:** We will ensure the accuracy of the prices to the Federation of Investment Managers Malaysia - Funds Malaysia System for publication. However, we will not be held liable for any error or inaccuracies in prices published in the local dailies.

## INCORRECT PRICING

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

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

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

- (i) is equal or more than 0.50% of the NAV per unit; and
- (ii) results in a sum total of RM10.00 or more to be reimbursed to a Unit holder for each sale or withdrawal transaction.

Subject to any regulatory requirements, we shall have the right to amend, vary or revise the abovesaid limits from time to time and disclose such amendment, variation or revision in this Master Prospectus.

## Calculation of investment amount and units entitlement

The number of units that you received will be rounded down to the second decimal place.

### Illustration 1

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

Assumptions:

NAV per unit	=	RM0.5000 (truncated to 4 decimal places)
Application Fee charged by CWA	=	6.50%
Application Fee charged by IUTA	=	5.50%

You wish to invest RM10,000 in the Fund through an IUTA.

#### Calculation of total number of units that you will receive

---

= Investment amount / NAV per unit  
= RM10,000 / RM0.5000  
= 20,000 units

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

---

= NAV per unit x number of units received x Application Fee rate  
= RM0.5000 x 20,000 units x 5.50%  
= RM550.00

#### Calculation of total amount that you will have to pay

---

= Investment amount + Application Fee paid  
= RM10,000.00 + RM550.00\*  
= RM10,550.00

#### Note:

The Application Fee is subject to GST. At the current standard rate of 6%, the GST payable on the Application Fee of RM550 will be RM33 (RM550 x 6% = RM33). As such, you will have to pay RM583 for the Application Fee (inclusive of GST) and the total investment amount will be RM10,583.00.

#### Calculation of investment amount

Following the illustration above, assuming the NAV per unit calculated for a Business Day is RM0.5110 (truncated to 4 decimal places).

#### Calculation of investment amount

---

= Number of units x NAV per unit  
= 20,000 units x RM0.5110  
= RM10,220.00

### Illustration 2

#### Calculation of withdrawal value, Withdrawal Fee and amount payable to you

Assuming you have 50,000 units, you wish to redeem RM10,000 from your investment in the Fund. Your withdrawal request is received by 4:00 p.m. of a Business Day. NAV per unit for that Business Day is RM0.5230 (truncated to 4 decimal places) and there is a Withdrawal Fee of 1.00% applicable for withdrawals.

#### Calculation of the number of units withdrawn

---

= Withdrawal value / NAV per unit  
= RM10,000.00 / RM0.5230  
= 19,120.46 units

#### Calculation of the number of your remaining units

---

= Units held before withdrawal – units withdrawn  
= 50,000.00 units – 19,120.46 units  
= 30,879.54 units

#### Calculation of Withdrawal Fee payable by you (to be deducted from withdrawal value)

---

= NAV per unit x number of units withdrawn x Withdrawal Fee rate  
= RM0.5230 x 19,120.46 units x 1.00%  
= RM100.00

#### Calculation of amount payable to you

---

= Withdrawal value – Withdrawal Fee paid  
= RM10,000.00 – RM100.00  
= RM9,900.00

## TRANSACTION DETAILS

### INVESTING

#### **Who can invest?**

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

- an individual who is at least 18 years of age and not an undischarged bankrupt. As an individual investor, you may also opt to invest in joint names (i.e. as a joint Unit holder).
- an institution including a company, corporation, co-operative, trust or pension fund.

#### **How to invest?**

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

You may invest:

- by crossed cheque, banker's draft, money order or cashier's order (made payable as advised by us or our Distributors as the case may be). You will have to bear the commission charges for outstation cheques;
- directly from your bank account held with our Distributors, where applicable;
- by cash if you make an application in person at any branch of our Distributors, where acceptable; or
- by such other mode of payment that we and/or the relevant authorities approve from time to time. Any charges, fees and expenses incurred in facilitating such mode of payment shall be borne by you. Such mode of payment is subject to further limit(s), restriction(s) and/or terms and conditions that we and/or the relevant authorities may impose from time to time.

Where available, the RSP allows you to make regular monthly investments, direct from your account held with a bank approved by our Distributors. We will process the monthly investments made via the RSP when we receive your application or your monthly investment cheque. You can also arrange a standing instruction with our Distributors to invest a pre-determined amount in the Fund each month. You can cancel your RSP at any time by providing written instructions to the relevant Distributors to cancel your standing instruction.

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

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

#### **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 are not bound to register more than two (2) joint Unit holders and both applicants must be at least eighteen (18) years of age.

In the event of the demise of a joint holder who is a non-Muslim, we will only recognize the surviving joint holder as the rightful owner. Where the deceased joint holder is a Muslim, his Units will be dealt with in accordance with the Deed and applicable laws and regulations.

#### **Who is distributing these Funds?**

The Funds may be distributed via the following channels:

- CIMB-Principal's offices;
- CWA;
- IUTAs; and
- such other channels as the Manager may decide from time to time.

The addresses and contact numbers of our head office and regional offices are disclosed in the "Corporate Directory" chapter. The Distributors of the Funds are listed in the "Distributors of the Funds" chapter.

Please take note that if your investments are made through an IUTA via a nominee system of ownership, you would not be deemed to be a Unit holder under the Deeds 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).

### MINIMUM INVESTMENTS

The minimum initial investments for the Funds are stipulated in the table below.

	Minimum initial investment <sup>#</sup> (RM)	Minimum additional investment <sup>#</sup> (RM)	Regular Savings Plan (RSP) <sup>^</sup>	
			Minimum initial investment <sup>#</sup> (RM)	Minimum additional investment <sup>#</sup>
<b>Equity Funds</b>				
CIMB-Principal Equity Fund	500	200	500	200

CIMB-Principal Equity Aggressive Fund 1	500	200	500	200
CIMB-Principal Equity Aggressive Fund 3	500	200	500	200
CIMB-Principal Equity Growth & Income	500	200	500	200
CIMB-Principal Equity Income Fund	500	200	500	200
CIMB-Principal Small Cap Fund	500	200	500	200
CIMB-Principal KLCI-Linked Fund	500	200	500	200
<b>Mixed Asset Funds</b>				
CIMB-Principal Balanced Fund	500	200	500	200
CIMB-Principal Balanced Income Fund	500	200	500	200
CIMB-Principal Income Plus Balanced Fund	500	200	500	200
<b>Fixed Income &amp; Money Market Funds</b>				
CIMB-Principal Bond Fund	2,000	500	2,000	500
CIMB-Principal Strategic Bond Fund	2,000	500	2,000	500
CIMB-Principal Deposit Fund	10,000	1,000	10,000	1,000
CIMB-Principal Money Market Income Fund	10,000	1,000	N/A	N/A
<b>Regional &amp; Global Funds</b>				
CIMB-Principal Asian Equity Fund	500	200	500	200
CIMB-Principal Australian Equity Fund	500	200	500	200
CIMB-Principal China-India-Indonesia	500	200	500	200
CIMB-Principal Greater China Equity Fund	500	200	500	200

<sup>#</sup> The amount includes any applicable fees and charges, such as sales charge (if any), which are subject to any applicable taxes (including but not limited to GST).

<sup>^</sup> The Regular Savings Plan ("RSP") allows you to make regular monthly investments directly from your account held with a bank approved by us or our Distributors.

**Note:**

- You may request for a lower amount or number of units when purchasing units (or additional units), which will be at our discretion.
- The minimum initial investment for the EPF's Members Investment Scheme shall be RM1,000 or as per the amount stated under the minimum initial investment column, whichever is higher. The list of Funds under the EPF's Members Investment Scheme will be updated on our website at <http://www.cimb-principal.com.my> as and when the EPF revises the list. Alternatively, you may contact our Customer Care Centre at (03) 7718 3100 for further information.
- We reserve the right to change the above stipulated amounts from time to time.

**Processing an application**

If we receive a complete application by 4:00 p.m., we will process it using the NAV per unit for that Business Day. If we receive the application after 4:00 p.m., we will process it using the NAV per unit for the next Business Day. However, for investments into the CIMB-Principal Deposit Fund, applications made under the EPF's Members Investment Scheme shall be the daily NAV per unit at the next valuation point after disbursement of funds by the EPF.

For the **CIMB-Principal Deposit Fund** and the **CIMB-Principal Money Market Income Fund**, we will process your investments made via Telegraphic Transfers or cheques as follows:

**a) Telegraphic Transfers**

If we accept an application and receive the money by the cut off time on a Business Day, i.e. by 4:00 p.m., we will process the application on the same Business Day and the NAV per unit quoted at the end of the same Business Day shall apply. If we receive the application and money after the cut off time on a Business Day, i.e. after 4:00 p.m., we will process the application on the next Business Day (T+1) and the NAV per unit quoted at the end of the 2<sup>nd</sup> Business Day (T+1) shall apply.

**b) Cheques**

If we accept an application by the cut off time on a Business Day, i.e. 4:00 p.m., the NAV per unit quoted at the end of the 3<sup>rd</sup> Business Day (T+2) and upon clearance of the cheque shall apply for the application. For applications we receive after 4:00 p.m. on a Business Day, we will process the application on the next Business Day, i.e. NAV per unit quoted at the end of the 4<sup>th</sup> Business Day (T+3) and upon clearance of the cheque shall apply.

We will only process complete applications, i.e. when we have receive all the necessary information and/or documentations. The number of units you receive will be rounded down to the second decimal place.

## MINIMUM WITHDRAWALS AND MINIMUM BALANCE

The minimum withdrawals and minimum balance for the Funds are stipulated in the table below, unless you are withdrawing your entire investment. Withdrawals can be made from the Fund by completing a withdrawal form and sending it to the relevant Distributors. If we wish to increase the minimum withdrawal amount or the minimum balance amount, we will consult with the Trustee beforehand and such adjustment will be communicated to you before implementation. There is no restriction on the frequency of withdrawals. Please note that for EPF Investments, your withdrawal proceeds will be paid to EPF.

	Minimum withdrawal* (units)	Minimum balance (units)
<b>Equity Funds</b>		
CIMB-Principal Equity Fund	200	250
CIMB-Principal Equity Aggressive Fund 1	400	500
CIMB-Principal Equity Aggressive Fund 3	400	500
CIMB-Principal Equity Growth & Income Fund	200	250
CIMB-Principal Equity Income Fund	200	250
CIMB-Principal Small Cap Fund	800	1,000
CIMB-Principal KLCI-Linked Fund	400	250
<b>Mixed Asset Funds</b>		
CIMB-Principal Balanced Fund	400	500
CIMB-Principal Balanced Income Fund	200	250
CIMB-Principal Income Plus Balanced Fund	400	500
<b>Fixed Income &amp; Money Market Funds</b>		
CIMB-Principal Bond Fund	500	1,000
CIMB-Principal Strategic Bond Fund	500	1,000
CIMB-Principal Deposit Fund	1,000	5,000
CIMB-Principal Money Market Income Fund	1,000	5,000
<b>Regional &amp; Global Funds</b>		
CIMB-Principal Asian Equity Fund	400	500
CIMB-Principal Australian Equity Fund	2,000	2,000
CIMB-Principal China-India-Indonesia Equity Fund	2,000	2,000
CIMB-Principal Greater China Equity Fund	400	500

### Please note:

1. We reserve the right to change the above stipulated amounts from time to time.
2. There is no restriction on the frequency of withdrawals.
3. There is no exit and re-entry option.
4. or such other unit as we may decide from time to time and any withdrawal is subject to the minimum balance being maintained.

### 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 using the NAV per unit for the next Business Day (T+1), which will be known on the following Business Day (T+2).

The amount that you will receive is calculated by the withdrawal value less the Withdrawal Fee, if any. You will be paid in RM within ten (10) calendar days.

For **SCF**, if the Fund's total withdrawal amount is fifteen percent (15%) or more of the total NAV of the Fund of the day, we will pay to you within fifteen (15) calendar days from the day we receive the withdrawal notice. For details, please refer to "Approvals and Conditions" chapter on page 135.

For the **DF** and **MMIF**, we will pay to you in RM within three (3) Business Days from the day we receive the withdrawal notice. For a withdrawal amount greater than RM30 million, you are required to provide us with a written notice (electronically or otherwise) of minimum seven (7) Business Days of such intention to withdraw to enable us to process the withdrawal.

### Illustration for DF and MMIF:

If you wish to withdraw RM35 million from your investment in DF on 12 August 2016, you must provide us a prior written notice on 3 August 2016. You will be paid in RM by 17 August 2016.

For the **CAEF**, there may also be a possibility of delay in the process of withdrawals and receiving withdrawal proceeds during the relevant period due to the Target Fund's post-financial year income distribution and audit. However, we will communicate to you the information relating to the delays at least a week prior to the relevant period.

Any applicable bank charges and other bank fees incurred as a result of a withdrawal by way of telegraphic transfer, bank cheque or other special payment method will be borne by you.

If the balance (i.e. number of units) of an investment drops below the minimum balance stipulated above, further investment will be required until the balance of the investment is restored to at least the stipulated minimum balance.

## COOLING-OFF PERIOD

You have six (6) Business Days after your initial investment (i.e. the date the application is received by us) to reconsider its appropriateness and suitability for your investment needs. Within this period, you may withdraw your investment at the NAV per unit on the day the units were first purchased. We will refund the investment amount including the Application Fee (if any) to you in RM within ten (10) calendar days from the day we receive the complete documentations. Please note that the cooling-off right is only given to first time investor investing with us or any of our Distributors. However, corporations/institutions, CIMB-Principal's staff and person(s) registered to deal in unit trust of CIMB-Principal or any of our Distributors are not entitled to the cooling-off right.

Further, if you have invested via the EPF's Members Investment Scheme, your cooling-off right is subject to EPF's terms and conditions.

## SWITCHING

You have the option to switch into any of the Funds that allow switching of units, offered by CIMB-Principal. The switching is based on the value of your investments in the fund, at the point of exercising the switch.

Switching will be conducted based on the value of your investment in a Fund. The minimum amount for a switch is subject to:

- for switching out of a Fund:
  - the minimum withdrawal amount applicable to the Fund that you intend to switch out;
  - the minimum balance required for the Fund that you intend to switch out, unless you are withdrawing from the Fund in entirety; and
  - the Withdrawal Fee of the Fund that you intend to switch out (if any)
- for switching into a Fund
  - the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Fund that you intend to switch into; and
  - the Switching Fee applicable for the proposed switch

Currently, there is no restriction on the frequency of switches. You may negotiate to lower the amount and/or fees applicable for your switch with us or with our Distributors. However, we have the discretion to allow or to reject any switching into (or out of) a Fund, including its terms and conditions.

To switch, simply complete a switch request form and send to our Distributors or our head office.

### Processing a switch

We process a switch as a withdrawal from one fund and an investment into another. Switching application should be made by the cut-off time of 4.00 p.m. on any Business Day.

Please note that the price of a Fund to be switched out and the price of another Fund to be switched into may be of different days. The table below sets out the pricing policy for switching out of some of our Funds:

Switching type	Pricing day (Business Day)	
	Switch out fund	Switch in fund
Foreign fund to foreign fund Local fund to local fund Local fund to foreign fund Money market fund to local or foreign fund	T day	T day
Foreign fund to local fund	T day	T + 1 day
Local/foreign fund to money market fund	T day	T + 4 day
Money market fund to money market fund	T day	T + 1 day

#### Note:

*Foreign fund refers to funds with foreign investments.*

*Local fund refers to funds without foreign investments.*

## **TRANSFER FACILITY**

You are allowed to transfer your holdings but this is subject to conditions stipulated in the respective Deeds. However, we may refuse to register any transfer of a unit at our absolute discretion. You may be subject to a Transfer Fee of not more than RM50.00 for each transfer.

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

**You may negotiate to lower fees, charges and/or expenses that are charged by us and/or our Distributors, but we have the right to reject your request.**

**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 Deeds of the Funds and/or SC Guidelines. Where necessary, the amendments will be notified to the Trustee. We will communicate to you if there are any amendments to the fees and charges.**

## DISTRIBUTIONS OF THE FUNDS

The payment of distributions, if any, from a Fund will depend on its distribution policy and will vary from period to period depending on interest rates, market conditions and the performance of the Funds.

The distribution policies for the respective Funds are set out in the table below:

	Distribution policy
<b>Equity Funds</b>	
CIMB-Principal Equity Fund	We have the discretion to distribute part or all of the Fund's distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Fund.
CIMB-Principal Equity Aggressive Fund 1	We have the discretion to distribute part or all of the Fund's distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Fund.
CIMB-Principal Equity Aggressive Fund 3	No distribution is expected to be paid, however, distribution, if any, will be incidental and will vary from period to period depending on interest rates, market conditions and the performance of the Fund.
CIMB-Principal Equity Growth & Income Fund	We have the discretion to distribute part or all of the Fund's distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Fund.
CIMB-Principal Equity Income Fund	Distribution (if any) is expected to be distributed annually, depending on the performance of the Fund and at our discretion.
CIMB-Principal Small Cap Fund	No distribution is expected to be paid, however, distribution, if any, will be incidental and will vary from period to period depending on interest rates, market conditions and the performance of the Fund.
CIMB-Principal KLCI-Linked Fund	No distribution is expected to be paid, however, distribution, if any, will be incidental and will vary from period to period depending on interest rates, market conditions and the performance of the Fund.
<b>Mixed Asset Funds</b>	
CIMB-Principal Balanced Fund	Distribution (if any) is expected to be distributed once a year every January at our discretion.
CIMB-Principal Balanced Income Fund	We have the discretion to distribute part or all of the Fund's distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Fund.
CIMB-Principal Income Plus Balanced Fund	Distribution (if any) is expected to be distributed half-yearly in January and July each year at our discretion*.
<b>Fixed Income &amp; Money Market Funds</b>	
CIMB-Principal Bond Fund	Distribution (if any) is expected to be distributed once a year every January at our discretion*.
CIMB-Principal Strategic Bond Fund	Distribution (if any) is expected to be distributed once a year every January at our discretion*.
CIMB-Principal Deposit Fund	Monthly, depending on the level of income (if any) the Fund generates.
CIMB-Principal Money Market Income Fund	Quarterly, if any within 14 days after the last day of each quarter.
<b>Regional &amp; Global Funds</b>	
CIMB-Principal Asian Equity Fund	We have the discretion to distribute part or all of the Fund's distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Fund.
CIMB-Principal Australian Equity Fund	We have the discretion to distribute part or all of the Fund's distributable income. The distribution (if any) may vary from period to period depending on the performance of the Fund.
CIMB-Principal China-India-Indonesia Equity Fund	Given its investment objective, the Fund is not expected to pay any distribution.
CIMB-Principal Greater China Equity Fund	Given its investment objective, the Fund is not expected to pay any distribution.

*\* Pursuant to the Deeds, we have the right to make provisions for reserves in respect of distribution of the Fund. If the distribution available is too small or insignificant, the distribution may not be beneficial to you as the total cost incurred for the distribution may be higher than the distribution amount. We have the discretion to decide on the distribution amount.*

At the end of each distribution period, the Fund will generally distribute its net income (if any) to you. The net income is calculated in accordance with the relevant Deeds and is generally calculated by:

- (i) adding the income (including all profit sharing/income paid from cash deposits, money market instruments and debentures/instruments as well as any dividends received);
- (ii) adding net realised capital gains (calculated by adding all realised capital gains and deducting any realised capital losses) of the Fund for the distribution period;
- (iii) deducting all expenses incurred by the Fund; and
- (iv) deducting any provisions that the Auditors consider proper.

The NAV of a Fund include unrealised gains and losses, if any. You should note that when the gains and losses are realised (i.e. when the Fund sells the investments), it will be included in the calculation of the Fund's net income for the distribution period in which the investments are sold, even though the gains or losses may have been accrued before you invest in the Fund.

The total distributable amount is then divided by the total number of units in issue at the end of the distribution period, to derive the distribution on a Sen per unit basis (i.e. the specified amount of Sen that you will receive for every unit owned in a Fund ).

Each unit will receive the same distribution for a distribution period regardless of when those units were purchased. The distribution amount that you will receive is calculated by multiplying the total number of units that you hold by the Sen per unit distribution amount. Once a distribution has been paid, the unit price will adjust accordingly.

**Illustration for the 12-month period ended 30 September 2016.**

Net distribution : 1.68 sen per unit

	Pre distribution	Post distribution
NAV per unit	RM0.5186	RM0.5018

All distributions (if any) will be automatically reinvested into additional units in the Fund at the NAV per unit of the Fund on the distribution date (the number of units is rounded to two decimal places), unless written instructions to the contrary are communicated to us. There will be no Application Fee 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 Fund, those additional units will then be withdrawn and the proceeds will be paid to you. Distribution payments will be made in RM.

**UNCLAIMED MONEYS**

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

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

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

# THE MANAGER

## ABOUT CIMB-PRINCIPAL ASSET MANAGEMENT BERHAD

CIMB-Principal holds a Capital Markets Services License for fund management and dealing in unit trust products under the CMSA and specialises in managing and operating unit trusts for investors, both institutional and retail. CIMB-Principal's responsibilities include managing investment portfolios by providing fund management services to insurance companies, pension funds, unit trust companies, corporations and government institutions in Malaysia. In addition, CIMB-Principal is an approved private retirement scheme provider in Malaysia.

As at LPD, CIMB-Principal was responsible for managing more than RM41.87 billion on behalf of individuals and corporations in Malaysia.

It originally commenced its operations as a unit trust company in November 1995. As at LPD, CIMB-Principal has more than 19 years of experience in the unit trust industry.

As at LPD, the shareholders of the company are CIMB Group (60%) and PIA (40%).

CIMB Group is held in majority by CIMB Group Holdings Berhad. It is a fully integrated investment bank. It offers the full range of services in the debt markets, the equity markets and corporate advisory. Member companies of CIMB Group also provide services in lending, private banking, private equity, Islamic capital markets as well as research capability in economics, equity and debt markets.

PIA is a private company incorporated in Hong Kong and its principal activity is the provision of consultancy services to other PFG group of companies. PIA is a subsidiary of the PFG, which was established in 1879 and is a diversified global financial services group servicing more than 15 million customers.

As at LPD, CIMB-Principal managed 44 conventional unit trust funds (including 2 Exchange-Traded Funds) and 19 Islamic unit trust funds.

In addition to being able to draw on the financial and human resources of its shareholders, CIMB-Principal has a staff strength of 324, comprising of 285 Executives and 39 Non-Executives, as at LPD.

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

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

## SUMMARY OF THE FINANCIAL POSITION OF THE COMPANY

	31 December 2015 (RM) Audited	31 December 2014 (RM) Audited	31 December 2013 (RM) Audited
Issued and paid-up share capital	123,474,795	123,474,795	123,474,795
Shareholders' funds	530,215,817	453,418,293	381,541,726
Revenue	446,552,633	363,530,072	277,489,369
Profit before taxation	88,006,851	80,842,217	101,924,364
Taxation	11,249,725	9,018,294	24,902,816
Profit after taxation	76,757,126	71,823,923	77,021,548

## KEY PERSONNEL

<b>Name:</b>	Alejandro Elias Echegorri Rodriguez
<b>Designation:</b>	Chief Executive Officer, ASEAN Region, Executive Director of CIMB-Principal and Director of CIMB-Principal Asset Management (S) Pte Ltd and Director of CIMB-Principal Islamic Asset Management Sdn Bhd.
<b>Experience:</b>	He is the Chief Executive Officer, ASEAN Region of CIMB-Principal. He was appointed as Executive Director of CIMB-Principal on 28 March 2016, Director of CIMB-Principal Asset Management (S) Pte Ltd on 4 April 2016 and Director of CIMB-Principal Islamic Asset Management Sdn Bhd on 7 April 2016.. He joined CIMB-Principal on 1 March 2015. Previously he was the Chief Investment Officer for Principal International in Latin America, where he was responsible for the overall investment strategy and the investment process for the group and for overseeing the management of pension, mutual funds and general accounts in the region as well as for supporting the overall development of the asset management business in the region. He joined Principal in 2003 as Head of Institutional Asset Management and Chief Investment Officer for Principal Financial Group in Mexico. Prior to that, he was the Senior Investment Officer for Citibank's Pension Fund Business in Latin America. He had also held different positions in the investment area in countries such as Uruguay, Argentina, Chile, Mexico and the United Kingdom.
<b>Qualifications:</b>	Degree in Economics from the Universidad Mayor de la Republica, Uruguay and a Master in Economics degree from Universidad Centro de Estudios Macroeconomicos de Argentina.

<b>Name:</b>	Munirah binti Khairuddin
<b>Designation:</b>	Chief Executive Officer / Executive Director.
<b>Experience:</b>	She is the Chief Executive Officer of CIMB-Principal since August 2013. She joined CIMB-Principal on 1 November 2006 and was appointed as Deputy Chief Executive Officer in November 2008. She has been an Executive Director of CIMB-Principal since 31 January 2012. Previously worked as a G7 Economist and strategist for a Fortune 500 multinational oil and gas company. Prior to that, she was a fixed income portfolio manager for emerging markets at Rothschild Asset Management in London. Apart from her Senior Management role, she has been instrumental in helping the company to grow its AUM, deepening its retail leadership with new focus in private retirement space, and maintaining consistent risk management and investment performance whilst elevating the overall customer experience. Munirah also oversees both the retail and corporate businesses for Singapore. During her tenure as Deputy CEO from November 2008 to July 2013, she was responsible for the development of institutional, corporate and international business opportunities and institutional sales. In Malaysia, she has overseen retail funds marketing, market development and fund operations. Under her ambit, the company has spearheaded an international client base, listed exchange traded funds ("ETF") in Malaysia and Singapore, and developed products for regional distribution. She also played an integral part in strategic business development initiatives of CWA.
<b>Qualifications:</b>	Bachelor of Arts (Honours) in Accounting & Financial Analysis, University of Newcastle Upon Tyne, UK; Chartered Financial Analyst Charterholder; Capital Markets Services Representative's License holder for fund management.

<b>Name:</b>	Yap Ben Shioh
<b>Designation:</b>	Head of Compliance.
<b>Experience:</b>	Joined CIMB-Principal on 3 February 2009. He has over 15 years of experience in the capital market. He is a registered Compliance Officer for CIMB-Principal with the Securities Commission Malaysia. He is a designated person responsible for compliance matters. Prior to joining CIMB-Principal, he was attached to an asset management company that focused on private equity investments and held a Capital Markets Services Representative's License for fund management under CMSA from November 2005 to June 2008. Prior to that, he was attached to a reputable and established unit trust management company for approximately five years. During the period, he was the designated person for compliance matters. Before his involvement in unit trust industry, he has also gained valuable knowledge in capital market when he was with an investment company.
<b>Qualifications:</b>	Master of Business Administration from University of South Australia. Bachelor of Business Administration, majoring in Finance and Management and a Bachelor of Science, majoring in Economics from University of Kentucky, Lexington, the USA.

## THE INVESTMENT COMMITTEE

The Manager has appointed the Investment Committee for the Funds, pursuant to the requirements under the SC Guidelines. The Investment Committee currently consists of six (6) members including three (3) independent members. Generally, the Investment Committee meets once a month and is responsible for ensuring that the investment management of the Funds is consistent with the objectives of the Funds, the Deeds, the SC Guidelines and relevant securities laws, any internal investment restrictions and policies of the Manager, as well as acceptable and efficacious investment management practices within the unit trust industry. In this role, the powers and duties of the Investment Committee include formulating and monitoring the implementation by the Manager of appropriate investment management strategies for the Funds and the measurement and evaluation of the performance of the Manager.

## INVESTMENT COMMITTEE MEMBERS

<b>Name:</b>	Kim Teo Poh Jin*
<b>Designation:</b>	Chairman of the Investment Committee. Executive Director and Group Chief Executive Officer, Boardroom Limited. Director, Livet Company Pte. Ltd. Director, Marina Yacht Services Pte. Ltd.
<b>Experience:</b>	He has about 25 years of experience in the financial industry, having worked in senior positions of major financial institutions.
<b>Qualifications:</b>	Bachelor of Arts (Hons) in Economics from the Heriot-Watt University of Edinburgh.

<b>Name:</b>	Wong Fook Wah*
<b>Designation:</b>	Ex-Deputy Group Chief Executive for RAM Holdings Berhad.
<b>Experience:</b>	<p>Wong had served 20 years in RAM Holdings Bhd., from its inception as Malaysia's first credit rating agency in 1991. He held several positions over the years including Managing Director/CEO of RAM Rating Services Sdn. Bhd. His last position was that of Deputy Group Executive Officer of RAM Holdings Berhad ("RAM"). He retired from RAM in March 2011.</p> <p>Prior to joining RAM, Wong worked for the Ministry of Finance, Malaysia from 1977 to April 1991. He first served as an economist in the Economics Planning Division for the first 8 years. Then, for 4 years from 1987 to 1991, he worked as an analyst in a special task unit handling rehabilitational and restructuring work on ailing Government-owned enterprises.</p> <p>He was on the Board of Directors of the Malaysia Derivatives Exchange Bhd. (MDEX) from 2001 to May 2004 as an appointee of the Ministry of Finance. He also served on the Board of Directors of RAM Rating Services Bhd., Bond Pricing Agency Sdn. Bhd. and RAM Credit Information Sdn. Bhd., representing the interest of RAM Holdings Bhd. prior to retirement.</p>
<b>Qualifications:</b>	Bachelor of Arts (Economics) from Universiti Malaya (1977) and a Masters degree in Policy Science from Saitama University, Japan (1987).

<b>Name:</b>	A.Huzaim Bin Dato' Abdul Hamid *
<b>Designation:</b>	Director of CIMB-Principal.
<b>Experience:</b>	<p>Has been a Director of CIMB-Principal since 2 May 2013.</p> <p>Huzaim has spent 27 years in various aspects of finance, economics, and public policy advisory. 12 of those years was spent as a fund manager, where he was, among others, a Chief Investment Officer with Alliance Capital Asset Management and as a member of the Pacific Region Team and a Global Commodities Specialist with Hong Kong's Jardine Fleming Investment Management which is now part of JP Morgan, Chase and Co. He was an independent Investment Committee member for 6 years for CIMB-Principal as well as being the same for CIMB-Principal Islamic Asset Management and CIMB Wealth Advisors Berhad for several years. He also served as an independent Investment Committee member for CIMB Aviva Assurance and CIMB Aviva Takaful for two years.</p> <p>Huzaim is the Chairman &amp; CEO of Ingenium Advisors, a financial economics advisory established in 2013. He was, prior to that, the Head of Strategic Operations at Malaysia's Employees Provident Fund, where he was deeply engaged in the reform of the Malaysian pension and social security system, which resulted in the private pension system, minimum wages, and minimum retirement age acts.</p> <p>Huzaim also spent several years serving as a Senior Fellow at the then renowned Institute of Strategic and International Studies (ISIS) Malaysia, reporting directly to its late Chairman, Tan Sri Noordin Sopiee. He was most active in economic, finance, and geostrategic issues. He was engaged heavily in OIC and East Asian matters, and was appointed the Deputy Secretary General for the Malaysian chapter of the Network of East Asian Think-tanks (NEAT). Huzaim speaks, thinks, and writes in 5 languages.</p>
<b>Qualifications:</b>	Master of Science, Financial Economics, School of Oriental and African Studies (SOAS), University of London, United Kingdom, 2010; Advanced Certificate in Russian Language from the Russian Centre for Science and Culture, Kuala Lumpur and the Pushkin State Institute of Russian Language, Moscow, Russia, 2009, Bachelor of Science, Economics, Louisiana State University, Baton Rouge Louisiana, United States of America, 1988.

<b>Name:</b>	Mohamad Safri bin Shahul Hamid										
<b>Designation:</b>	Deputy Chief Executive Officer/ Senior Managing Director of CIMB Islamic (CIMB Investment Bank)										
<b>Experience:</b>	<table border="0"> <tr> <td>2011 – Present</td> <td>Deputy Chief Executive Officer/ Senior Managing Director (since April 2014) – CIMB Islamic (CIMB Investment Bank)</td> </tr> <tr> <td>2009 – 2011</td> <td>Deputy Chief Executive Officer – MIDF Amanah Investment Bank, Kuala Lumpur</td> </tr> <tr> <td>Feb 2008 – Dec 2008</td> <td>Director – Global Markets &amp; Regional Head, Islamic Structuring (Asia) of Deutsche Bank Dubai International Financial Centre (Dubai)</td> </tr> <tr> <td>2003 – 2008</td> <td>Director &amp; Head – Debt Capital Markets, CIMB Islamic</td> </tr> <tr> <td>2000 – 2003</td> <td>Senior Analyst – Malaysian Rating Corporation Berhad</td> </tr> </table>	2011 – Present	Deputy Chief Executive Officer/ Senior Managing Director (since April 2014) – CIMB Islamic (CIMB Investment Bank)	2009 – 2011	Deputy Chief Executive Officer – MIDF Amanah Investment Bank, Kuala Lumpur	Feb 2008 – Dec 2008	Director – Global Markets & Regional Head, Islamic Structuring (Asia) of Deutsche Bank Dubai International Financial Centre (Dubai)	2003 – 2008	Director & Head – Debt Capital Markets, CIMB Islamic	2000 – 2003	Senior Analyst – Malaysian Rating Corporation Berhad
2011 – Present	Deputy Chief Executive Officer/ Senior Managing Director (since April 2014) – CIMB Islamic (CIMB Investment Bank)										
2009 – 2011	Deputy Chief Executive Officer – MIDF Amanah Investment Bank, Kuala Lumpur										
Feb 2008 – Dec 2008	Director – Global Markets & Regional Head, Islamic Structuring (Asia) of Deutsche Bank Dubai International Financial Centre (Dubai)										
2003 – 2008	Director & Head – Debt Capital Markets, CIMB Islamic										
2000 – 2003	Senior Analyst – Malaysian Rating Corporation Berhad										

<b>Qualifications:</b>	Master of Business Administration (Globalisation) from Maastricht School Of Management, The Netherlands; Bachelor of Accounting (Honours) from International Islamic University Malaysia; Chartered Accountant (CA) with the Malaysian Institute of Accountants (MIA).
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<b>Name:</b>	Effendy Shahul Hamid
<b>Designation:</b>	Chief Executive Officer, Group Asset Management & Investments.
<b>Experience:</b>	<p>Effendy oversees all of CIMB Group's asset management and investments business across both public and private markets. This includes CIMB Group's regional asset management business (CIMB-Principal), its private equity fund management business and the Group's strategic investments portfolio in companies such as Touch 'n Go and Bank of Yingkou. Amongst others, he serves as Chairman of CIMB-Mapletree and CIMB-TrustCapital Advisors Singapore Pte Ltd, is a Director on the board of several CIMB-Principal companies, and also a Director of Touch 'n Go and the R.E.A.L Education Group.</p> <p>Most recently, Effendy was CIMB Group's Chief Marketing and Communications Officer where he managed the Group's entire marketing and communications initiatives, and lead franchise-wide efforts to ensure a consistent and differentiated CIMB brand for all of the Group's businesses across the region. Prior to that, he served as a Director in CIMB Group's Investment Banking Division, primarily focusing on corporate advisory and origination. The early years of Effendy's career was spent in several international companies in a corporate development capacity, mostly involved in private equity, merger and acquisition activities across Asia Pacific and general business expansion initiatives.</p>
<b>Qualifications:</b>	Honours in Electronic Engineering with Optoelectronics, University College London; Alumni of CIMB-INSEAD Leadership Programme.

<b>Name:</b>	Alejandro Elias Echegorri Rodriguez
<b>Designation:</b>	
<b>Experience:</b>	As aforementioned on page 108.
<b>Qualifications:</b>	

\* *Independent Member.*

## THE BOARD OF DIRECTORS

There are ten (10) members sitting on the Board of Directors of CIMB-Principal including four (4) Independent Directors. The Board of Directors oversees the management and operations of CIMB-Principal and meets at least once every quarter.

<b>Name:</b>	Dato' Robert Cheim Dau Meng
<b>Designation:</b>	Chairman/Non-Independent Non-Executive Director of CIMB Investment Bank Berhad, Vice Chairman of CIMB Thai Bank Public Company Limited, Trustee of CIMB Foundation, Chairman and Independent Non-Executive Director of Tanjong Plc and Trustee of Yu Cai Foundation.
<b>Experience:</b>	Dato' Robert Cheim was appointed as Chairman/Non-Independent Non-Executive Director of CIMB Investment Bank Berhad on 1 July 2015. He retired from CIMB Group and relinquished his executive position in the various entities in the Group and resigned as Adviser for the Investment Banking Division of the Group on 27 February 2015. Dato' Robert Cheim joined Commerce International Merchant Bankers Berhad (now known as CIMB Investment Bank) in 1984 and held the position of Head of Corporate Finance, General Manager and Executive Director, before assuming the position of Chief Executive Officer from 1993 to 1999. From 1999 to 2006, he was an Executive Director of CIMB Investment Bank. Prior to joining CIMB Investment Bank, Dato' Robert Cheim served in various management positions with the former United Asian Bank Berhad (now known as CIMB Bank) between 1977 and 1984. He has also worked in various accounting firms in London.
<b>Qualifications:</b>	Fellow of the Institute of Chartered Accountants in England and Wales and a Member of the Malaysian Institute of Accountants.

<b>Name:</b>	Auyeung Rex Pak Kuen
<b>Designation:</b>	Senior Vice President of Principal Financial Group; Chairman – Asia of Principal Financial Group; Director of CIMB-Principal.
<b>Experience:</b>	Has been a Director of CIMB-Principal since 11 July 2003 and has over 30 years of experience in insurance industry in Canada and Hong Kong.
<b>Qualifications:</b>	Bachelor of Environmental Studies (Honours) in Urban and Regional Planning, University of Waterloo, Canada.

<b>Name:</b>	Pedro Esteban Borda
<b>Designation:</b>	Vice President South Asia and India of Principal International.
<b>Experience:</b>	He is the Vice President South Asia and India of Principal International based in Malaysia. He is also a Director of CIMB-Principal since 20 June 2013. Prior joining Principal International, he was Chief Executive Officer, ASEAN Region of CIMB-Principal. In addition, he was the Country Head – Mexico from 2004 to February 2013, Vice President of Principal Financial Group and previously a member of the Board of Directors of Principal Financial Group, Chile.
<b>Qualifications:</b>	Bachelor Degree in Business Administration and a Master Degree in Finance, both from Universidad Argentina de la Empresa (U.A.D.E).

<b>Name:</b>	Dato' Anwar bin Aji *	
<b>Designation:</b>	Chairman of Zelan Berhad, Director of Konsesi Pusat Asasi Gambang Sdn Bhd, Director of SKS PARS Refining Company Sdn. Bhd., Director of Sistem Transit Aliran Ringan Sdn. Bhd. and Independent Director of CIMB-Principal.	
<b>Experience:</b>	Has been a Director of CIMB-Principal since 24 April 2007.	
	Re-designated w.e.f. 01.01.12	Chairman – Zelan Berhad
	Re-designated w.e.f. 19.01.11	Executive Chairman – Zelan Berhad
	Appointed w.e.f. 11.12.08	Chairman – Zelan Berhad
	2001-2008	Chairman – Faber Group Berhad
	1994-2004	Managing Director – Khazanah Nasional Berhad
	1993-1994	Special Assistant – The Secretary General of Ministry of Finance
	1991-1993	Principal Assistant Secretary – Finance Division, Federal Treasury, Ministry of Finance
	1986-1991	Deputy Director – Petroleum Development Division, Prime Minister's Department
	1984-1985	Principal Assistant Secretary – Investment Division of the Malaysian Tobacco Company Berhad under the British Malaysia Industry and Trade Association training scheme
	1982-1984	Principal Assistant Secretary – Foreign Investment Committee, Economic Planning Unit, Prime Minister Department
	1980-1981	Principal Assistant Secretary – Economic and International Division, Federal Treasury, Ministry of Finance.
	1978-1980	Principal Assistant Secretary – Budget Division, Federal Treasury, Ministry of Finance
	1973-1978	Assistant Director – Industries Division, Ministry of International Trade & Industry
<b>Qualifications:</b>	Master of Arts, International Studies, Ohio University USA (1981 – 1982) and Bachelor of Economics (Hons.), University of Malaya (1970 – 1973).	

<b>Name:</b>	Wong Joon Hian*
<b>Designation:</b>	Independent Non-Executive Director and Chairman of Audit Committee of CIMB-Principal.
<b>Experience:</b>	Has been an independent non-executive director of CIMB-Principal since 22 August 2007. He has accumulated over 30 years of working experience in the areas of audit, accountancy, financial services and corporate management. He commenced his career when he joined Price Waterhouse & Co. in England after qualifying as a Chartered Accountant in 1973. He returned to Malaysia in 1975 to work for Price Waterhouse (now known as PricewaterhouseCoopers), Malaysia until 1985. He then served as the Technical Manager of The Malaysian Association of Certified Public Accountants from 1986 until he was appointed as the General Manager-Operations of Supreme Finance (Malaysia) Berhad in December 1987. After Mayban Finance Berhad had completed the acquisition of Supreme Finance (Malaysia) Berhad in 1991, he joined BDO Binder as an Audit Principal until 1994 when he joined for Advance Synergy Berhad. He was appointed the managing director of United Merchant Group Berhad (now known as Advance Synergy Capital Sdn Bhd) in 1995 and continues to hold that position to date. During the period from 1995 till 2007 he was a director of Ban Hin Lee Bank Berhad, Southern Investment Bank Berhad and United Merchant Finance Berhad. Currently, he is designated as the Chief Operating Officer-Financial Services of Advance Synergy Berhad. In addition, he is a director in several companies under the Advance Synergy Berhad Group and CIMB Group Holdings Berhad Group.
<b>Qualifications:</b>	Member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants and a fellow member of the Institute of Chartered Accountants in England and Wales.

<b>Name:</b>	Hisham bin Zainal Mokhtar*	
<b>Designation:</b>	Director of CIMB-Principal.	
<b>Experience:</b>	<p>Since July 2014</p> <p>April 2009 – Jun 2014</p> <p>May 2007 – Mac 2009</p> <p>May 2005 – April 2007</p> <p>April 2001 – April 2005</p> <p>January 2001 – April 2001</p> <p>April 2000 – December 2000</p> <p>August 1999 – February 2000</p> <p>August 1998 – July 1999</p> <p>May 1998 – Aug 1998</p> <p>October 1996 – March 1998</p> <p>December 1995 – September 1996</p> <p>September 1994 – December 1995</p> <p>March 1994 – July 1994</p> <p>May 1991 – March 1994</p>	<p>Chief Operating Officer – Astro Overseas Limited</p> <p>Director, Investments – Khazanah Nasional Berhad</p> <p>Senior Vice President, Investments – Khazanah Nasional Berhad</p> <p>Vice President, Investments – Khazanah Nasional Berhad</p> <p>Executive Director and Vice President, Corporate &amp; Financial Planning – Tricubes Berhad</p> <p>Head, Analyst – Britac Capital Sdn Bhd</p> <p>Executive Director – K..E. Malaysian Capital Partners Sdn Bhd</p> <p>Financial Consultant – Santander Investment Research (Malaysia) Sdn Bhd</p> <p>Financial Consultant – Sithe Pacific LLC</p> <p>Dealer's Representative – CIMB Securities Sdn Bhd</p> <p>Senior Research Analyst – UBS Research (Malaysia) Sdn Bhd</p> <p>Investment Analyst – Crosby Research (Malaysia) Sdn Bhd</p> <p>Investment Analyst – Baring Research (Malaysia) Sdn Bhd</p> <p>Head of Research – Keluangsa Sdn Bhd</p> <p>Research Executive – Crosby Research (Malaysia) Sdn Bhd</p>
<b>Qualifications:</b>	Master in Business Administration, Massachusetts Institute of technology – Sloan School of Management; Master of Science (MS) Mathematics, Illinois State University; Bachelor of Science (BS) Mathematics, Illinois State University; Chartered Financial Analyst Charterholder.	

<b>Name:</b>	Alejandro Elias Echegorri Rodriguez
<b>Designation:</b>	
<b>Experience:</b>	As aforementioned on page 108.
<b>Qualifications:</b>	

<b>Name:</b>	Effendy Shahul Hamid
<b>Designation:</b>	
<b>Experience:</b>	As aforementioned on page 110.
<b>Qualifications:</b>	

<b>Name:</b>	A.Huzaim Bin Dato' Abdul Hamid*
<b>Designation:</b>	
<b>Experience:</b>	As aforementioned on page 109.
<b>Qualifications:</b>	

<b>Name:</b>	Munirah Binti Khairuddin
<b>Designation:</b>	
<b>Experience:</b>	As aforementioned on page 108.
<b>Qualifications:</b>	

\* Independent Director

## AUDIT COMMITTEE

There are three (3) members sitting on the Audit Committee of CIMB-Principal. The Audit Committee monitors and ensures transparency and accuracy of financial reporting, and effectiveness of external and internal audit functions of the Manager. The Audit Committee meets at least twice a year.

<b>Name:</b>	Wong Joon Hian*
<b>Designation:</b>	
<b>Experience:</b>	As aforementioned on page 112.
<b>Qualifications:</b>	

<b>Name:</b>	Dato' Anwar bin Aji *
<b>Designation:</b>	
<b>Experience:</b>	As aforementioned on page 111.
<b>Qualifications:</b>	

<b>Name:</b>	Effendy Shahul Hamid
<b>Designation:</b>	
<b>Experience:</b>	As aforementioned on page 110.
<b>Qualifications:</b>	

*\*Independent Member*

## KEY MEMBERS OF THE INVESTMENT TEAM

CIMB-Principal's investment team is jointly responsible for the overall investment decisions made on behalf of the Funds. The key members of the Investment Team are:

<b>Name:</b>	Patrick Chang Chian Ping
<b>Designation:</b>	Chief Investment Officer, Malaysia
<b>Experience:</b>	Patrick was appointed as the Chief Investment Officer, Malaysia on 22 February 2016. He comes with an extensive 15 year experience in asset management and is backed by numerous ASEAN awards from Malaysian pension funds in 2013 and 2015. He was previously the Head of ASEAN equities at BNP Paribas Investment Partners, Malaysia where he oversees ASEAN equities for both Malaysian and offshore clients from 2012. Prior to that, he served as Senior Vice President for CIMB-Principal where he specialized in Malaysia, ASEAN and Asia specialist funds. He also worked as a portfolio manager at Riggs and Co International Private Banking in London specializing in managing global ETF portfolios.
<b>Qualifications:</b>	MSc Finance from City University Business School and BSc Accounting and Financial Analysis from University of Warwick (Chevening Scholar), UK.

<b>Name:</b>	Doreen Choo Choy Wan
<b>Designation:</b>	Head of Equities, Malaysia. Designated Fund Manager for all CIMB-Principal equity funds.
<b>Experience:</b>	Doreen began her career at PricewaterhouseCoopers (PwC) Malaysia in 1997 and was attached to the Valuation & Strategy team in the Corporate Finance Department for 8 years. Whilst at PwC, her work experience covered a wide range of professional service areas including business advisory, corporate restructuring and corporate finance.  In 2005, Doreen joined CIMB-Principal Asset Management (CPAM) as a fund manager. Her fund management experience covers a broad range of unit trust and institutional mandates. In 2010, Doreen was instrumental in the successful launch of the CIMB FTSE Xinhua 25 and CIMB FTSE ASEAN 40 Exchange Traded Funds (ETFs), which were both listed on 9 July 2010. In 2012, two of the unit trust funds under her management won Lipper awards. The CIMB Islamic Balanced Fund won the Mixed Asset MYR Balanced – Malaysia (Islamic) 10 year award, while the CIMB Islamic Balanced Growth Fund won the Mixed Asset MYR Balanced – Malaysia (Islamic), 3 year award. In April 2015, Doreen assumed her current role as Head of Equities, Malaysia.
<b>Qualifications:</b>	Bachelor of Arts degree, majoring in Economics (1st Class Honours) from University of Malaya. She is a Chartered Financial Analyst (CFA) Charterholder since 2002. She obtained her Fund Manager's representatives license and Futures Fund Manager's representative's licence in 2005.

<b>Name:</b>	Wong Loke Chin
<b>Designation:</b>	Director, Fixed Income. Designated Fund Manager for all CIMB-Principal bond funds and money market funds.

<b>Experience:</b>	He has been with the CIMB Group for 15 years where he was initially attached with the CIMB Bank's Debt Markets and Derivatives department managing range of fixed income portfolios for institutional clients before joining CIMB-Principal in January 2005. His current portfolio under management includes managing both domestic and global fixed income funds.  He has more than 20 years of relevant experience in the fixed income industry which also includes managing fixed income investments for insurance companies prior to joining the CIMB Group.
<b>Qualifications:</b>	Bachelor's degree of Commerce in Accounting from the University of New South Wales, Australia. He holds a Capital Markets Services Representative's License for fund management under CMSA.

<b>Name:</b>	Wu Yah Ning
<b>Designation:</b>	Director, Funds Management, Investment. Designated Fund Manager for all CIMB-Principal feeder funds.
<b>Experience:</b>	Joined CIMB-Principal in November 2008. She was previously the Head of Investment in an International Investment Management Firm in Kuala Lumpur. She has more than 20 years of experience in the investment and financial industry.
<b>Qualifications:</b>	BSc (Econ) Accounting and Finance from London School of Economics, England and MSc in Investment Management (with Distinction) from City University Business School in London, England. She is a CFA Charterholder and she also holds a Capital Markets Services Representative's License for fund management under CMSA.

## **MATERIAL LITIGATION AND ARBITRATION**

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

# THE SUB-MANAGER

## ABOUT CIMB-PRINCIPAL ASSET MANAGEMENT (S) PTE. LTD.

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CIMB-Principal (S) was appointed as the Sub-Manager for the **CIMB-Principal Asian Equity Fund** on 1 September 2008 and **CIMB-Principal China-India-Indonesia Equity Fund** on 30 June 2012. In addition, prior to the change of manager from CWA to CIMB-Principal, CIMB-Principal (S) was also appointed as the Sub-Manager for the foreign investments of **CIMB-Principal Equity Growth & Income Fund** and **CIMB-Principal Equity Income Fund** on 26 December 2007 and was granted the discretion to manage, realise, invest, reinvest or howsoever deal with the respective portion of these Funds allocated to foreign investments in accordance with the investment objectives of each of these Funds. The Sub-Manager's discretionary authority over the foreign investments of these Funds is subject to the Guidelines, the CMSA and the internal policies and procedures. Following the change of manager from CIMB Wealth Advisors Berhad (209627-H) to CIMB-Principal, CIMB-Principal (S) continues to assume the role of Sub-Manager for the foreign investments of **CIMB-Principal Equity Growth & Income Fund** and **CIMB-Principal Equity Income Fund**. CIMB-Principal shall be responsible for the review, monitoring and oversight of CIMB-Principal (S) in the performance of its duties and obligations in respect of these Funds.

CIMB-Principal (S) was incorporated in Singapore on 18 May 2006, and has been in the fund management industry for ten (10) years. The company is a wholly-owned subsidiary of CIMB-Principal Asset Management Berhad in Malaysia. CIMB-Principal (S) is a regional asset management company established in Singapore offering both Islamic and conventional fund management services. The company manages regional investment activities for the CIMB-Principal Asset Management group of companies.

CIMB-Principal (S) is a licensed fund manager regulated by the Monetary Authority of Singapore. As at LPD, CIMB-Principal (S) has thirteen (13) staff including nine (9) fund managers. The company is the fund manager for the CIMB FTSE ASEAN 40 ETF and several other discretionary accounts and has total assets under management of about SGD 2.5 billion as at LPD.

### Board of directors of CIMB-Principal (S):

Goh Zee Wei Ken	-	Director & Chief Executive Officer
Christopher Leow	-	Director & Chief Investment Officer
Alejandro Elias Echegarri Rodriguez	-	Director

### Key management staff of CIMB-Principal (S)

#### Ken Goh – Director & Chief Executive Officer

Mr Goh is the designated person responsible for the investment management of the foreign investments of these Funds. He joined CIMB-Principal (S) in January 2007 as CEO / Director.

Prior to joining CIMB-Principal (S), Mr Goh was Director of Investment and served as an Executive Director on the management team at APS Asset Management. From June 2004 to February 2005, he was Head of Investment Advisory, Asia for MeesPierson. Mr Goh has also served as Chief Investment Officer, Singapore for Allianz Dresdner Asset Management as well as Executive Director of Phillip Capital Management during its start-up phase. From 1994 to 2000, Mr Goh served as a Manager with the GIC (Government of Singapore Investment Corp).

Mr Goh graduated from the National University of Singapore as Bachelor of Business Administration with a 1<sup>st</sup> Class Honors. He is a Chartered Financial Analyst (CFA) charter-holder since 1997.

#### Christopher Leow – Director & Chief Investment Officer

Mr Leow joined CIMB-Principal in December 2003 and transferred to CIMB-Principal (S) on 2 May 2007. He has more than 20 years of experience in the equities and fund management industry. He is the Chief Investment Officer and a director of CIMB-Principal (S), and is responsible for leading the International Investment team based in Singapore.

Mr Leow is a Chartered Financial Analyst and a Certified Financial Planner. He has been registered with the Monetary Authority of Singapore under the Securities and Futures Act (Cap. 289) as a Representative of CIMB-Principal (S) in fund management since September 2007.

Mr Leow holds a Bachelor of Commerce in Accounting and Finance (Hons) from the University of Western Australia.

#### Alejandro Elias Echegarri Rodriguez – Director

Mr. Echegarri's profile is as disclosed on page 108.

**Key person responsible for investment management of the CIMB-Principal Equity Growth & Income Fund, CIMB-Principal Equity Income Fund, CIMB-Principal Asian Equity Fund and CIMB-Principal China-India-Indonesia Equity Fund:**

#### Ken Goh – Chief Executive Officer

Mr Goh's profile is disclosed above.

*Note: CIMB-Principal has obtained the necessary consent and confirmation from each of the relevant parties with regards to the information disclosed in this section.*

# THE TRUSTEES

## AMANAHRAYA TRUSTEES BERHAD

ART is the Trustee of the **CIMB-Principal Equity Growth & Income Fund** and **CIMB-Principal Equity Aggressive Fund 1**. ART was incorporated under the Companies Act 1965 on 23 March 2007 and registered as a trust company under the Trust Companies Act 1949. ART has an authorized capital of RM5,000,000. Its issued and paid-up share capital is RM2,000,000 and RM1,000,000 respectively.

### ART's Financial Performance

The following is a summary of the past three years performance of ART based on its audited financial statements for financial year ended 31 December:

	Year Ended 31 December		
	2015 (unaudited) (RM'000)	2014 (RM'000)	2013 (RM'000)
Paid-up capital	1,000	1,000	1,000
Shareholders' Funds	11,144	9,657	9,421
Turnover	32,205	30,326	27,861
Profit before tax	24,311	22,806	20,332
Profit after tax	18,887	17,236	15,281

### Experience in trustee business

ART is a subsidiary of Amanah Raya Berhad (ARB) which is wholly owned by the Minister of Finance (Incorporated). ART took over the corporate trusteeship functions of ARB and acquired ARB's experience of more than 49 years in trustee business. ART has been registered and approved by the SC to act as trustee to unit trust funds and as at LPD has 206 unit trust funds under its trusteeship.

### Board of Directors and Chief Executive Officer of ART

Dato' Haji Ismail Bin Ibrahim	: Chairman
Dato' Haji Che Pee Bin Samsudin	: Director
Datuk Johar Bin Che Mat	: Director
Tuan Haji Mansor Bin Salleh	: Director
Tuan Haji Zulkifly Bin Sulaiman	: Director
Puan Mahfuzah Binti Baharin	: Director
Puan Mahfuzah Binti Baharin	: Chief Executive Officer

### Key Personnel

As at LPD, ART has 86 staff (64 Executives and 22 Non-Executives).

#### Hajjah Habsah Binti Bakar Chief Executive Officer

Hajjah Habsah Binti Bakar was appointed as Chief Executive Officer of AmanahRaya Trustees Berhad effective from February 2007.

She holds a Master of Business Administration from University of Malaya, Bachelor of Law (Hons) from University of Malaya and a postgraduate Diploma in Syariah Law and Practice from the International Islamic University Malaysia. She is a Certified Financial Planner with the Financial Planning Association of Malaysia.

She has served as General Manager at Amanah Raya Berhad for 12 years. She was in charge of various departments such as Corporate Trust, Legal, Branch Operations, Marketing, Corporate Communications, Product Development and Customer Relationship Management of Amanah Raya Berhad during that tenure.

She has vast experience in legal administration since joining the Judicial and Legal Service in 1985. She has served at the Attorney General's Chambers, Ministry of Housing and Local Government, the High Court and the Department of Public Trustee

#### Zainudin Bin Suhaimi General Manager

Zainudin Bin Suhaimi joined AmanahRaya Trustees Berhad in February 2007. He oversees the management of Operations Department and Legal Department.

He holds a Master of Business Administration from Universiti Utara Malaysia (UUM), Degree in Business Administration (Finance) from Universiti Putra Malaysia (UPM) and a Diploma in Business Studies from Universiti Teknologi MARA (UiTM).

Prior to joining AmanahRaya Trustees Berhad, he had served the Corporate Trust Department of Amanah Raya Berhad since 1992. He is also a trust officer at Amanah Raya Labuan Limited and an associate member of the Financial Planning Association of Malaysia.

**Arzlee Bin Abdul Rahman**  
**Assistant General Manager**

Arzlee Bin Abdul Rahman joined AmanahRaya Trustees Berhad in July 2009. He oversees the management of Marketing & Business Development Department and Finance & Administration Department.

He holds a Bachelor of Science in Economics/Finance from The University of Hartford, Connecticut, USA.

Prior to joining AmanahRaya Trustees Berhad, he had managed the Amanah Raya Nominees (Tempatan) Sdn Bhd for about 5 years, in which he developed custodial and securities services. Overall, he has about 20 years working experience in the financial industry, including corporate foreign exchange and money market in bank treasury, stock broking, insurance and finance companies.

**Azril Bin Abd Kadir**  
**Senior Manager, Compliance Monitoring Department**

Azril Bin Abd Kadir joined AmanahRaya Trustees Berhad in January 2008. He oversees the compliance and audit functions of ART.

He holds a Bachelor of Science in Business Administration from the University of Missouri, Columbia.

He has more than 15 years experience in the collective investment scheme industry and was previously the registered compliance officer of a local asset management company.

**Fazila Banoo Binti Manzur Elahi**  
**Manager, CEO's Office**

Fazila Banoo Binti Manzur Elahi joined AmanahRaya Trustees Berhad in August 2008. She is in charge of Human Resources (HR) matters of the Company, and is the main liaison with the Group Human Resources Department, Amanah Raya Berhad.

She holds a Master of Business Administration (majoring in Human Resource & Organizational Development) from University of Malaya and Bachelor in Business Administration (Transport) from Universiti Teknologi MARA (UiTM).

Prior to joining AmanahRaya Trustees Berhad, she has seven (7) years of working experience in the Information Technology (IT) industry, having worked in the field of Customer Service, Project Management and Human Resource & Office Administration.

**Zulhida Binti Abd Maurad**  
**Manager, Legal Department**

Zulhida Binti Abd Maurad joined AmanahRaya Trustees Berhad in October 2008. She oversees the legal matters of ART.

She holds a Bachelor of Law (LLB Hons) from International Islamic University Malaysia (IIUM) and a Certificate in Company Administration from Harun M. Hashim Law Centre, IIUM.

She was called to the Malaysian Bar in 2007 and pursued legal practice specialising in corporate and commercial matters at Messrs. Azmi & Associates before joining the Company. She had served as Assistant Manager at Compliance and Audit Department prior to the current position.

**Amir Tarmizi Bin Abdul Hamid**  
**Manager, Operations Department**

Amir Tarmizi Bin Abdul Hamid joined AmanahRaya Trustees Berhad in January 2008. He oversees the operations of unit trust funds and debt capital market of ART.

He holds a Bachelor of Accountancy (Hons) from Universiti Putra Malaysia (formerly known as Universiti Pertanian Malaysia).

Prior to joining AmanahRaya Trustees Berhad, he had served the Corporate Trust Department of Amanah Raya Berhad since October 2005 and had headed the Global Transaction Services Unit of ART before assuming the current position.

**Hajjah Farah Farhanah Binti Fuad**  
**Manager, Operations Department**

Hajjah Farah Farhanah Binti Fuad joined AmanahRaya Trustees Berhad in January 2008. She oversees the operations of unit trust funds and private retirement scheme of ART.

She holds a Bachelor in Business Administration (Hons) Finance from Universiti Teknologi MARA (UiTM).

Prior to joining AmanahRaya Trustees Berhad, she had served Amanah Raya Berhad since 2002 and was involved in investment analysis and fund management processing. She also had served Corporate Trust Department of Amanah Raya Berhad since October 2005. She headed the Settlement Unit of ART before assuming the current position.

**Azmiah Binti Abdul Razak**  
**Manager, Finance & Administration Department**

Azmiah Binti Abdul Razak joined AmanahRaya Trustees Berhad in June 2015. She oversees the finance and administration functions of ART.

She holds a Master of Art in Islamic Banking, Finance & Management from University of Gloucestershire, United Kingdom as well as Bachelor in Accountancy (Hons) and Diploma in Accountancy from Universiti Teknologi MARA (UiTM). She is also a Chartered Accountant under Malaysian Institute of Accountants (MIA).

Prior to joining AmanahRaya Trustees Berhad, she has a combined 14 years of working experience in the field of finance, accounting, auditing, taxation and secretarial practices.

**Noor Aniza Binti Md Noor**  
**Manager, Marketing and Business Development Department**

Noor Aniza Binti Md Noor joined AmanahRaya Trustees Berhad in November 2012. She oversees the management of marketing activities and business development of ART.

She holds a degree in Business Administration (Banking and Finance) from Mississippi State University, USA.

To date, she has a combined 15-year of working experience in the national and multinational corporations brought to the organization.

**ART's delegate**

Effective from 30 June 2015, ART has delegated its custodial function of the foreign investments to Citibank N.A, Singapore branch. Citibank N.A. in Singapore began providing a security service in the mid-1970's and a fully operational global custody product was launched in the early 1990's. Today their securities services business claim a global client base of premier banks, fund managers, broker dealers and insurance company. Currently, Citigroup Singapore has approximately 10,000 employees.

The roles and duties of Citibank N.A. Singapore as the trustee's delegate are as follows:

- To act as sub-custodian for the selected cross-border investment of the fund(s) including the opening of cash and custody accounts and to hold in safekeeping the assets of the fund(s), such as equities and bonds.
- To act as paying agent for selected cross-border investments which include trade settlement and fund transfer services.
- To provide corporate action information or entitlements arising from the above underlying assets and to provide regular reporting on the activities of the invested portfolios.

*Note: CIMB-Principal has obtained the necessary consent and confirmation from each of the relevant parties with regards to the information disclosed in this section.*

## MAYBANK TRUSTEES BERHAD

MTB is the Trustee of the **CIMB-Principal Equity Aggressive Fund 3, CIMB-Principal Small Cap Fund, CIMB-Principal Balanced Fund, CIMB-Principal Income Plus Balanced Fund, CIMB-Principal Strategic Bond Fund and CIMB-Principal Money Market Income Fund**, with its registered address at 8th Floor, Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur.

MTB was incorporated on 12 April 1963 and registered as a Trust Company under the Trust Companies Act 1949 on 11 November 1963. It was one of the first local trust companies to provide trustee services with the objective of meeting the financial needs of both individual and corporate clients.

### MTB's Financial Information

The following is a summary of the past performance of MTB based on audited accounts and unaudited account statements for the past three (3) financial years:

	Year Ended 31 December		
	2015 (RM)	2014 (RM)	2013 (RM)
Paid-up capital	500,000	500,000	500,000
Shareholders' Funds	37,819,277	31,450,665	21,002,473
Turnover	19,199,588	25,573,893	21,316,197
Profit Before Taxation	8,977,223	14,090,866	11,826,263
Profit After Taxation	6,368,612	10,448,192	8,895,021

### Experience in trustee business

With more than 22 years of experience as Trustee to unit trust funds/schemes, MTB has under its trusteeship a total of sixty two (62) unit trust funds, six (6) wholesale funds, one (1) private retirement scheme (consisting of four (4) funds) and four (4) real estate investment trust/property trust funds as at LPD.

### Board of Directors and Chief Executive Officer of MTB

En Zainal Abidin Jamal	- Non-Independent Non-Executive Director & Chairman
Dato' Mohd. Hanif bin Suadi	- Non-Independent Non-Executive Director
Dato' Dr. Tan Tat Wai	- Independent Non-Executive Director
Ms Ong Sau Yin	- Independent Non-Executive Director

### Key Personnel

As at 30 April 2016, the Trustee has a total of 33 staff, comprising twenty six (26) executives and seven (7) non-executives.

#### Mr Chong Kin Tuck Chief Executive Officer

Mr Chong Kin Tuck joined MTB in September 2014. Kin Tuck has more than 20 years of work experience in the banking industry, covering Securities Services and Lending. This includes a banking career in Citibank for 20 years; covering Loans operations, Mortgage business, Share Financing & Investment operations, Securities & Fund Services operations, Securities Services product development and most recently as Head of Direct Custody & Clearing at J.P Morgan Chase Bank Berhad.

#### Officer in Charge

#### Mr Samuel Hwa Head, Business Development & Strategies

Mr Samuel Hwa joined MTB in August 2013. He holds a Bachelor of Law degree from the University of London and a Bachelor of Science in Business from Pennsylvania State University double majoring in Finance and Marketing/Management. He started his career in America as a business analyst and later joined an insurance company in Malaysia. Prior to joining Maybank, he was with CIMB Investment Bank Berhad. Samuel has worked in the Securities Services industry for over 5 years.

#### Ms Bernice K.M Lau Head, Operations

Ms Bernice Lau was appointed as Head, Operations in November 2013. Prior to her appointment, she was the Head, Corporate Trust of MTB. She joined MTB in December 2008. Prior to joining MTB, she was a Legal & Compliance Officer of UOB Trustees Bhd which subsequently merged with OSK Trustees Berhad. She has more than eight (8) years of experience in trustee industry.

She holds a LL.B (Hons) from University of London and a Certificate in Legal Practice from Legal Profession Qualifying Board, Malaysia.

### Trustee's Statement of Responsibility

MTB has given its willingness to assume the position and all the obligations that come along with them under the Deed of the Fund and all relevant written laws. MTB is entitled to be indemnified out of the assets of the Fund for any liability incurred by MTB in performing or exercising any of its powers or duties in relation to the Fund. This indemnity is in addition to any indemnity allowed by law. However, it does not extend to liabilities arising from a breach of trust or failure to show the due care and diligence required of MTB having regard to its powers, authorities, and discretions under the Deed.

## Duties and Responsibilities of the Trustee

MTB's role is mainly to act as custodian of the Fund and to exercise all due diligence and vigilance in carrying out its functions and duties and to safeguard the rights and interests of the Unit holders. Apart from being the legal owner of the Fund's assets, MTB is responsible for ensuring that the Manager performs its obligations in accordance with the provisions of the Deed and the relevant laws.

### MTB's Delegate

MTB has delegated its custodian function to Malayan Banking Berhad. The custodian function is run under Maybank Securities Services ("MSS"), a unit within Malayan Banking Berhad. MSS provides a comprehensive end to end clearing and custody services for global and domestic equities and fixed income securities. MSS provides a complete suite of corporate outsourcing solutions with a proven track record in servicing international institutional clients: Sub Custodian for major Foreign Banks and Global Custodians. MSS also provides Global custody services in more than 100 different markets via a special arrangement with their reputable partners. They have also consistently been awarded in the Global Custodian Awards for Excellence as well as other major publications.

The roles and duties of the trustee's delegate, MSS, are as follows:

- Safekeep, reconcile and maintain assets holdings records of funds against trustee's instructions;
- Act as settlement agent for shares and moneys to counterparties against trustee's instructions;
- Act as agents for money market placement where applicable against trustee's instructions;
- Disseminate listed companies' announcements to and follow through for corporate actions instructions from trustee;
- Compile, prepare and submit holdings report to trustee and beneficial owners where relevant; and
- Other ad-hoc payments for work done for the funds against trustee's instructions, etc.

MTB has delegated its custodian function for the foreign investments of the Funds to Citibank N.A, Singapore branch. Citibank N.A in Singapore began providing a security service in the mid-1970's and a fully operational global custody product was launched in the early 1990's. To date, their securities services business claims a global client base of premier banks, fund managers, broker dealers and insurance companies.

The custodian act only in accordance with instructions from MTB.

### Material Litigation and Arbitration

Save for the suits mentioned herein below, the Trustee is not engaged in any material litigation as plaintiff or defendant and the Trustee is not aware of any proceedings, pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect its financial position or business.

1. The bondholders of the Al-Bai Bithaman Ajil ("ABBA") bonds ("bondholders") issued by Pesaka Astana (M) Sdn Bhd ("PASB") have sued PASB for its failure to meet its bonds payment obligations under Kuala Lumpur High Court Civil Suit No. D5(D6)-22-1810-2005 ("ABBA Suit") and cited the Trustee as one of 12 co-defendants in the ABBA Suit. The claim in the ABBA Suit is for RM149,315,000.00 or any other sum that the Court deems fit. The other defendants in the ABBA Suit include among others the Arranger, PASB's Chief Executive Officer, one of PASB's directors and associate companies of the Chief Executive Officer and the said director. The Trustee has defended the ABBA Suit and its trial has concluded.

The Trustee had appealed against the decision made by the High Court on 30 June 2010 in respect of the ABBA Suit in awarding judgement against it. The appeals proceeded on 22, 23, 26, 27, 28, 29 and 30 September 2011 and 3 October 2011. The Court of Appeal had on 8 November 2011 awarded the Trustee and the Arranger a limited indemnity against PASB, PASB's Chief Executive Officer, one of PASB's directors and associate companies of the Chief Executive Officer and the said director (collectively "PASB And Their Associated Defendants") but found the Trustee and the Arranger equally liable to the bondholders. The Federal Court had on 5 April 2012 granted the Trustee leave to appeal to the Federal Court against certain parts of the decision of the Court of Appeal ("Federal Court Appeal"). The Federal Court Appeal was heard on 6, 7, 8, 20, 21 and 23 November 2012 and on 2, 3 and 4 January 2013. The hearing dates of 17 to 19 October 2012 and 19 November 2012 were vacated.

The Federal Court had on 10 February 2014 delivered its decision ("Decision") wherein it had, among others, allowed the Trustee a full indemnity against PASB And Their Associated Defendants and reduced the judgement sum against the Trustee to approximately RM107 million without apportionment of liability against the Arranger.

PASB's Chief Executive Officer and associate companies of the Chief Executive Officer (collectively the "Pesaka Defendants") had filed an application for the Federal Court to grant leave to review its Decision against them ("Review Application 1"). On 29 September 2014, the Federal Court allowed the Pesaka Defendants' application to withdraw Review Application 1.

Most of the bondholders had filed an application for the Federal Court to grant leave to review its Decision in finding the Arranger not liable ("Review Application 2"). On 29 September 2014, the Federal Court dismissed Review Application 2.

2. Connected to the ABBA Suit, Amanah Short Deposits Berhad [now MIDF Amanah Investment Bank Berhad ("MIDF")], a Noteholder of the Combined Commercial Papers and/or Medium Term Notes/Letters of Credit/Financial Guarantee Facilities ("CP/MTN") totalling RM13 million and issued by PASB, has sued PASB for full payment under the CP/MTN arising from a cross-default by PASB under its ABBA bonds under Kuala Lumpur High Court Civil Suit No. D2-22-1085-2006 ("CP/MTN Suit"). The Trustee was cited as one of 5 co-defendants in the CP/MTN Suit. The claim in the CP/MTN Suit is for RM13 million or any other sum that the Court deems fit and damages. The other defendants in the CP/MTN Suit are the Arranger, PASB's Chief Executive Officer and one of PASB's directors. MIDF withdrew its claim against the Arranger in November 2014. The Trustee has defended the CP/MTN Suit and trial has concluded. On 14 August 2015, the High Court dismissed MIDF's claim against the Trustee ("Dismissal") and found PASB's Chief Executive Officer and one of PASB's directors liable for MIDF's loss. MIDF has filed a Notice of Appeal against the Dismissal ("Appeal"). The Appeal is fixed for hearing on 28 July 2016.

The Trustee has obtained leave of the court to proceed with the actions against PASB given that further to an unrelated suit a provisional liquidator had been appointed against PASB. The Trustee has also obtained leave of the court to proceed with the actions against PASB following the court's order to wind-up PASB further to the unrelated suit.

In any event, any successful claim that may be established against the Trustee will be covered by the Trustee's insurer and/or Malayan Banking Berhad as the ultimate holding company of the Trustee. As such, the ABBA Suit and the CP/MTN Suit will not materially affect the business or financial position of the Trustee.

3. Several holders of the bonds ("Bondholders") issued by Aldwich Berhad [In Receivership] ("Aldwich") have sued Aldwich for its failure to settle its indebtedness to the Bondholders following the default of the said bonds in 2010 and cited the Trustee as one of 6 co-defendants under Kuala Lumpur High Court Civil Suit No. D-22NCC-1622-11/2012 ("Aldwich Bondholders' Suit"). The claim against the Trustee is for the sum of RM177,248,747.31 or any other sum that the Court deems fit. The other defendants are the holding company of Aldwich, the Chief Executive Officer of the holding company of Aldwich, the Security Agent and the Reporting Accountant. The Trustee does not admit liability to the Aldwich Bondholders' Suit and has defended it. Trial has concluded and the decision date will be notified by the Court. The Aldwich Bondholders' Suit will not materially affect the business or financial position of the Trustee."

*Note: CIMB-Principal has obtained the necessary consent and confirmation from each of the relevant parties with regards to the information disclosed in this section.*

## PB TRUSTEE SERVICES BERHAD

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

### PBTSB's Financial Information

The following is a summary of the past performance of the Trustee based on audited accounts for the last 3 years:

	Year Ended 31 December		
	2015 (RM'000)	2014 (RM'000)	2013 (RM'000)
Paid-up share capital	525	525	525
Shareholders' Funds	12,933	11,548	10,012
Turnover	4,450	4,149	3,928
Pre-tax profit	1,746	1,896	1,951
Net earnings per share	13.19	13.81	14.26
Net dividend per share	-	-	-
Profit after tax	1,385	1,450	1,497

### Board of Directors of PBTSB

Dato' Haji Abdul Aziz bin Dato' Dr Omar  
Dato' Mohammed Najeeb Bin Abdullah  
Ms Chang Siew Yin  
Ms Yik Sook Ling

### Chief Executive Officer

Julia Binti Mustaffa

### Experience in the trustee business

PBTSB's experience in trustee business has expanded over the past 40 years since its incorporation in 1968. It currently manages various types of funds in its capacity as trustee. These include private debt securities, writing of wills, management of estates, trusteeship for golf clubs, recreational clubs and time sharing schemes. PBTSB is also acting as a custodian in its capacity. As at LPD, it has 2 unit trust funds and 19 wholesale funds under its trusteeship.

As at LPD, PBTSB has a staff force of 17 experienced personnel (14 executives and 3 non-executives) to carry out its duties as Trustee.

### PBTSB's Delegate

The Trustee has appointed CIMB Bank Berhad as custodian of the quoted and unquoted local investments of the Fund. CIMB Bank Berhad began providing a security services in the mid-1980's and a global client base of premier bank, assists investment advisors/clients, managers of domestic and international portfolios, lending banks and international custodians in the movement and management of cash and securities. The custodian's custody and clearing services include settlement processing and safekeeping, corporate related services including cash and security reporting, income collection and corporate events processing. All investments are automatically registered in the name of the Fund. The custodian acts only in accordance with instructions from the Trustee.

*Note: CIMB-Principal has obtained the necessary consent and confirmation from each of the relevant parties with regards to the information disclosed in this section.*

## HSBC (MALAYSIA) TRUSTEE BERHAD

HSBCT is the trustee for **CIMB-Principal Deposit Fund, CIMB-Principal KLCI-Linked Fund, CIMB-Principal Greater China Equity Fund** and **CIMB-Principal Australian Equity Fund**. HSBCT 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 13th Floor, Bangunan HSBC, South Tower, No 2, Leboh Ampang, 50100 Kuala Lumpur.

### HSBCT's Financial Information

The Trustee has a paid-up capital of RM500,000.00. As at 31 December 2015, its shareholders' funds totalled RM65.51 million and it achieved a profit before tax of RM10.80 million.

The following is a summary of the past performance of the Trustee based on audited accounts for the last 3 years:

	Year Ended 31 December		
	2015 (RM)	2014 (RM)	2013 (RM)
Paid-up capital	500,000	500,000	500,000
Shareholders' Funds	65,514,817	57,329,602	48,058,506
Turnover	28,829,204	25,328,744	24,287,694
Profit before Tax	10,804,012	12,466,627	12,381,200
Profit after Tax	8,042,027	9,271,171	9,273,605

### Board of Directors of HSBCT

Mr Piyush Kaul	- Chairman of the Board (non-executive)
Mr Kaleon Leong bin Rahan	- Director (executive)
Mr Yee Yit Seeng	- Director (executive)

### Key Personnel

#### Mr Kaleon Leong Bin Rahan – Chief Executive Officer

He has been involved in the fund management industry since 1996, having served stints in a regulatory body, fund management company, trustee and audit firm. He is a Chartered Accountant and holds a Masters in Information Technology Management.

#### Mr Yee Yit Seeng – Chief Operating Officer

He joined HSBC Trustee in July 1984. He holds a Diploma in Banking and Finance and is a Senior Associate of Institut Bank-Bank Malaysia. He has more than 22 years of experience in trust operations including client service, systems/projects & office administration, compliance, internal control & audit, and business development. He was also seconded to the HSBC Back-end Processing Office in Cyberjaya, Malaysia to support the global securities operations.

### Experience in Trustee Business

Since 1993, the Trustee has acquired experience in the administration of unit trusts and as at LPD, is the Trustee for 175 funds (including unit trust funds, exchange traded funds, wholesale funds and funds under private retirement scheme). As at LPD, the Trustee has a workforce of 52 employees consisting of 43 executives and 9 non-executives.

### HSBCT's Delegate

The Trustee has appointed The Hongkong and Shanghai Banking Corporation Ltd as custodian of the quoted and unquoted local investments of the Fund. The assets of the Fund are held through their nominee company, HSBC Nominees (Tempatan) Sdn Bhd. If and when the Fund should invest overseas, HSBC Institutional Trust Services (Asia) Limited will be appointed as the custodian of the foreign assets of the Fund. Both The Hongkong And Shanghai Banking Corporation Ltd and HSBC Institutional Trust Services (Asia) Limited are wholly owned subsidiaries of HSBC Holdings Plc, the holding company of the HSBC Group. The custodian's comprehensive custody and clearing services cover traditional settlement processing and safekeeping as well as corporate related services including cash and security reporting, income collection and corporate events processing. All investments are registered in the name of the Trustee or to the order of the Trustee. The custodian acts only in accordance with instructions from the Trustee.

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

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

### 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 of the Fund. 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, Capital Markets and Services Act 2007 and the SC Guidelines. 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, Capital Markets and Services Act 2007 and the SC Guidelines. In respect of moneys paid by an investor for the application of units, the Trustee's responsibility arises when the moneys are received in the relevant account of the Trustee for the Funds and in respect of redemption, the Trustee's responsibility is discharged once it has paid the redemption amount to the Manager.

### 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 this Deed in relation to the Fund.

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.

**Anti-money Laundering and Anti-Terrorism Financing Provisions**

The Trustee has in place 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.

**Statement of Disclaimer**

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

**Consent to Disclosure**

The Trustee shall be entitled to process, transfer, release and disclose from time to time any information relating to the investors/Unit holders; to the Trustee's parent company, subsidiaries, associate company, affiliates, delegates, service providers and/or agents (including outsourcing agents and data processors), whether within or outside Malaysia, for any purpose (who may also subsequently process, transfer, release and disclose such information for any purpose) 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.

*Note: CIMB-Principal has obtained the necessary consent and confirmation from each of the relevant parties with regards to the information disclosed in this section.*

## UNIVERSAL TRUSTEE (MALAYSIA) BERHAD

UTMB is the trustee for **CIMB-Principal Equity Fund**, **CIMB-Principal Equity Income Fund**, **CIMB-Principal Balanced Income Fund**, **CIMB-Principal Asian Equity Fund** and **CIMB-Principal China-India-Indonesia Equity Fund**. UTMB was incorporated on 5 March 1974 under the Companies Act, 1965. It has an authorized capital of RM5,000,000 divided into 500,000 ordinary shares of RM10 each of which 100,000 ordinary shares of RM10 each are issued and RM5 called and paid-up.

### Board of Directors and Chief Executive Officer of UTMB

Tan Sri Dato' IR. Talha Bin Haji Mohamad Hashim  
Emily Huang Ye  
Huang Chang Yi (alternate to Emily Huang Ye)  
Wong Sai Fong  
Putri Noor Shariza Binti Noordin Omar (alternate to Wong Sai Fong)  
YM Tunku Mohamed Alauddin Tunku Naquiyuddin  
Abu Zaekry Akmi Karim (alternate to YM Tunku Mohamed Alauddin Tunku Naquiyuddin)  
Ong Tee Vann (Chief Executive Officer)

### UTMB's Financial Information:

The following is a summary of the past performance of the Trustee based on audited accounts for the last 3 years:

	Year Ended 31 December		
	2015 (RM)	2014 (RM)	2013 (RM)
Paid-up capital	500,000	500,000	500,000
Shareholders' Funds	5,404,585	4,629,149	4,028,962
Turnover	4,193,936	3,465,128	3,175,275
Pre-tax profit	1,553,699	624,789	675,435
After-tax profit	1,133,699	423,789	421,436

### Experience in the trustee business

UTMB has more than thirty years of experience in the unit trust industry. It has steadily continued to grow over the years and currently employs 28 staff, which comprises 18 executives and 10 non-executives. As at LPD, it has 24 unit trust funds under its trusteeship.

### UTMB's Delegate

UTMB has appointed Citibank Berhad as their delegate for local custody services. Citibank in Malaysia was established on 26 August 1959 as the First National City Bank. It became the first American bank to be locally incorporated on 1 July 1994. It has 11 branches across West Malaysia and an offshore banking unit in Labuan. Citibank Berhad has been an active player in the securities clearing and sub-custody industry in Malaysia since 1985. It is one of the largest institutional trades clearing banks in the securities market. The custody operations unit is also ISO certified.

UTMB has appointed Citibank, N.A., Singapore Branch as their delegate for global custody services. Citibank N.A. Singapore Branch was set up in 1902 and is today the largest foreign bank operating in the territory. With a staff force of about 8,500, Citibank, N.A. Singapore Branch provides a wide array of banking and financial services to institutions, consumers and professional markets in the community. Citibank, N.A. in Singapore began providing Securities & Fund Services in the mid-1970's and a fully operational global custody product was launched in the early 1990's. To date, Citibank, N.A., Singapore's Securities & Fund Services business claims a global client base of premier banks, fund managers, broker dealers and insurance companies.

*Note: CIMB-Principal has obtained the necessary consent and confirmation from each of the relevant parties with regards to the information disclosed in this section.*

## WHAT ARE THE ROLES, DUTIES AND RESPONSIBILITIES OF THE TRUSTEES?

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

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

## TRUSTEES' STATEMENT OF RESPONSIBILITY

The respective Trustees have agreed to assume the position of Trustee of the respective Funds and all the obligations in accordance with the respective Deeds, all relevant laws and rules of law. The respective Trustees shall be entitled to be indemnified out of the respective Funds against all losses, damages or expenses incurred by the Trustees in performing any of its duties or exercising any of its powers under the respective Deeds in relation to the Funds. 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 Trustees having regard to the provisions of the respective Deeds.

## EXEMPTIONS OR VARIATIONS

There have been no exemptions or variations from any relevant securities laws or the SC Guidelines granted to the Trustees by the SC.

## MATERIAL LITIGATION AND ARBITRATION

As at LPD, neither ART, PBTSB, HSBCT, UTMB nor its delegates are engaged in any material litigation and arbitration, either as plaintiff or defendant, and the Trustee and its delegate are not aware of any proceedings, pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect their financial position or business.

As at LPD, save for the suits mentioned herein below, MTB is not engaged in any material litigation as plaintiff or defendant and the Trustee is not aware of any proceedings, pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect its financial position or business.

1. The bondholders of the Al-BaiBithamanAjl ("ABBA") bonds ("bondholders") issued by Pesaka Astana (M) Sdn Bhd ("PASB") have sued PASB for its failure to meet its bonds payment obligations under Kuala Lumpur High Court Civil Suit No. D5(D6)-22-1810-2005 (the "ABBA Suit") and cited the Trustee as one of 12 co-defendants in the ABBA Suit. The claim in the ABBA Suit is for RM149,315,000.00 or any other sum that the Court deems fit. The other defendants in the ABBA Suit include among others the Facility Agent, PASB's Chief Executive Officer, one of PASB's directors and associate companies of the Chief Executive Officer and the said director. The Trustee has defended the ABBA Suit and its trial has concluded.

The Trustee had appealed against the decision made by the High Court on 30 June 2010 in respect of the ABBA Suit in awarding judgement against it and another Defendant. The appeals proceeded on 22, 23, 26, 27, 28, 29 and 30 September 2011 and 3 October 2011. The Court of Appeal had on 8 November 2011 awarded the Trustee and another Defendant a limited indemnity against PASB, PASB's Chief Executive Officer, one of PASB's directors and associate companies of the Chief Executive Officer and the said director (collectively "PASB And Their Associated Defendants") but found the Trustee and the other Defendant equally liable to the bondholders. The Federal Court had on 5 April 2012 granted the Trustee leave to appeal to the Federal Court against certain parts of the decision of the Court of Appeal ("Federal Court Appeal"). The Federal Court Appeal was heard on 6, 7, 8, 20, 21 and 23 November 2012 and on 2, 3 and 4 January 2013. The hearing dates of 17 to 19 October 2012 and 19 November 2012 were vacated.

The Federal Court had on 10 February 2014 delivered its decision ("Decision") wherein it had, among others, allowed the Trustee a full indemnity against PASB And Their Associated Defendants and reduced the judgement sum against the Trustee to approximately RM107 million without apportionment of liability against the other Defendant.

PASB's Chief Executive Officer and associate companies of the Chief Executive Officer have filed an application for the Federal Court to review its decision against them ("Review Application"). A hearing date will be fixed for the Review Application.

2. Connected to the ABBA Suit, Amanah Short Deposits Berhad [now MIDF Amanah Investment Bank Berhad ("MIDF")], a Noteholder of the Combined Commercial Papers and/or Medium Term Notes/Letters of Credit/Financial Guarantee Facilities ("CP/MTN") totalling RM13 million and issued by PASB, has also sued PASB for full payment under the CP/MTN arising from a cross-default by PASB under its ABBA bonds under Kuala Lumpur High Court Civil Suit No. D2-22-1085-2006 (the "CP/MTN Suit"). The Trustee was cited as one of 5 co-defendants in the CP/MTN Suit. The claim in the CP/MTN Suit is for RM13 million or any

other sum that the Court deems fit and damages. The other defendants in the CP/MTN Suit are the Facility Agent, PASB's Chief Executive Officer and one of PASB's directors. The Trustee is defending the CP/MTN Suit. Trial dates will be fixed by the High Court.

The Trustee has obtained leave of the court to proceed with the actions against PASB given that further to an unrelated suit a provisional liquidator had been appointed against PASB. The Trustee has also obtained leave of the court to proceed with the actions against PASB following the court's order to wind-up PASB further to the unrelated suit.

In any event, any successful claim that may be established against the Trustee will be covered by the Trustee's insurer and/or Malayan Banking Berhad as the ultimate holding company of the Trustee. As such, the ABBA Suit and the CP/MTN Suit will not materially affect the business or financial position of the Trustee.

3. Several holders of the bonds ("bondholders") issued by AldwichBerhad [In Receivership] ("Aldwich") have sued Aldwich for its failure to settle its indebtedness to the bondholders following the default of the said bonds in 2010 and cited the Trustee as one of 6 co-defendants under Kuala Lumpur High Court Suit No. D-22NCC-1622-11/2012 (the "Aldwich Bondholders' Suit"). The claim against the Trustee is for the sum of RM177,248,747.31 or any other sum that the Court deems fit. The other defendants are the holding company of Aldwich, the Chief Executive Officer of the holding company of Aldwich, the Security Agent and the Reporting Accountant. The Trustee does not admit liability to the Aldwich Bondholders' Suit and shall defend it. The Aldwich Bondholders' Suit will not materially affect the business or financial position of the Trustee. Trial is adjourned to 21 July 2014.

*Note: CIMB-Principal has obtained the necessary consent and confirmation from each of the relevant parties with regards to the information disclosed in this section.*

# SALIENT TERMS OF DEEDS

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

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

## RIGHTS OF UNIT HOLDERS

A Unit holder has the right, among others, to the following:

- to inspect the Register, free of charge, at any time at the registered office of the Manager, and obtain such information pertaining to its units as permitted under the Deeds and the SC Guidelines;
- to receive the distribution of the Fund (if any), participate in any increase in the capital value of the units and to other rights and privileges as set out in the Funds' Deeds;
- to call for Unit holders' meetings;
- to vote for the removal of the Trustee or the Manager through a Special Resolution;
- to receive annual reports, interim reports or any other reports of the Funds; and
- to exercise cooling-off for qualified investors.

Unit holders' rights may be varied by changes to the relevant Deeds, the SC Guidelines or judicial decisions or interpretation.

## LIABILITIES AND LIMITATION OF UNIT HOLDERS

### Liabilities

- (i) The liability of a Unit holder is limited to the purchase price per unit and the Application Fee paid or agreed to be paid for a Unit. A Unit holder need not indemnify the Trustee or the Manager if there is a deficiency in the assets of the Funds to meet the claim of any creditor of the Trustee or the Manager in respect of the Funds.
- (ii) The recourse of the Trustee, the Manager and any creditor is limited to the assets of the Funds.

### Limitations

A Unit holder cannot:

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

*For full details of the rights of a registered Unit holder of the Funds, please refer to the Deeds.*

## MAXIMUM FEES AND CHARGES PERMITTED BY THE DEEDS

This table describes the maximum charges permitted by the Deeds and payable **directly** by investors.

	Charges		
	Application Fee % / RM	Withdrawal Fee % / RM	Switching Fee % / RM
<b>Equity Funds</b>			
CIMB-Principal Equity Fund	Up to 10% is charged on the NAV per unit	Up to RM0.05 per unit	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in relation to switching may be charged as set out in the Prospectus.
CIMB-Principal Equity Aggressive Fund 1	Up to 10% is charged on the NAV per unit	Up to 5% of the NAV per unit	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in relation to switching may be charged as set out in the Prospectus.
CIMB-Principal Equity Aggressive Fund 3	Up to 6% is charged on the NAV per unit	Nil	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in relation to switching may be charged as set out in the Prospectus.
CIMB-Principal Equity Growth & Income Fund	Up to 10% is charged on the NAV per unit	Up to 5% of the NAV per unit	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in relation to switching may be charged as set out in the Prospectus.
CIMB-Principal Equity Income Fund	Up to 10% is charged on the NAV per unit	Up to 5% of the NAV per unit	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in relation to switching may be charged as set out in the Prospectus.
CIMB-Principal Small Cap Fund	Up to 6% is charged on the NAV per unit	Nil	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in relation to switching may be charged as set out in the Prospectus.
CIMB-Principal KLCI-Linked Fund	Up to 10% is charged on the NAV per unit	Up to 5% of the NAV per unit	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in relation to switching may be charged as set out in the Prospectus.
<b>Mixed Assets Funds</b>			
CIMB-Principal Balanced Fund	Up to 6% is charged on the NAV per unit	Nil	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in relation to switching may be charged as set out in the Prospectus.
CIMB-Principal Balanced Income Fund	Up to 10% is charged on the NAV per unit	Up to 5% of the NAV per unit	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in relation to switching may be charged as set out in the Prospectus.

	Charges		
	Application Fee % / RM	Withdrawal Fee % / RM	Switching Fee % / RM
CIMB-Principal Income Plus Balanced Fund	Up to 6% is charged on the NAV per unit	Nil	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in relation to switching may be charged as set out in the Prospectus.
<b>Fixed Income &amp; Money Market Funds</b>			
CIMB-Principal Bond Fund	Up to 6% is charged on the NAV per unit	Nil	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in relation to switching may be charged as set out in the Prospectus.
CIMB-Principal Strategic Bond Fund	Up to 2% is charged on the NAV per unit	Nil	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in relation to switching may be charged as set out in the Prospectus.
CIMB-Principal Deposit Fund	Up to 10% is charged on the NAV per unit	Up to 5% of the NAV per unit	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in relation to switching may be charged as set out in the Prospectus.
CIMB-Principal Money Market Income Fund	Nil	Nil	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in relation to switching may be charged as set out in the Prospectus.
<b>Regional &amp; Global Funds</b>			
CIMB-Principal Asian Equity Fund	Up to 10% is charged on the NAV per unit	Up to 5% of the NAV per unit	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in relation to switching may be charged as set out in the Prospectus.
CIMB-Principal Australian Equity Fund	Up to 7% is charged on the NAV per unit	Up to 5% of the NAV per unit	Up to 7% of the NAV per unit. An administrative fee in relation to switching may be charged as set out in the Prospectus.
CIMB-Principal China-India-Indonesia Equity Fund	Up to 7% is charged on the NAV per unit	Up to 5% of the NAV per unit	Up to 7% of the NAV per unit. An administrative fee in relation to switching may be charged as set out in the Prospectus.
CIMB-Principal Greater China Equity Fund	Up to 7% is charged on the NAV per unit	Up to 5% of the NAV per unit	Up to 7% of the NAV per unit. An administrative fee in relation to switching may be charged as set out in the Prospectus.

This table describes the maximum fees permitted by the Deeds and payable **indirectly** by investors.

	Fees															
	Management Fee % / RM	Trustee Fee % / RM														
<b>Equity Funds</b>																
CIMB-Principal Equity Fund	Up to 1.50% per annum, calculated daily on the NAV	<p>Calculated daily on the NAV</p> <table border="1"> <thead> <tr> <th>Size of the Fund</th> <th>Rate per annum</th> </tr> </thead> <tbody> <tr> <td>First RM20 million</td> <td>0.06%</td> </tr> <tr> <td>Next RM20million</td> <td>0.05%</td> </tr> <tr> <td>Next RM20 million</td> <td>0.04%</td> </tr> <tr> <td>Next RM20 million</td> <td>0.03%</td> </tr> <tr> <td>Next RM20 million</td> <td>0.02%</td> </tr> <tr> <td>Any amount in excess of RM100million</td> <td>0.01%</td> </tr> </tbody> </table> <p>in addition to custodian fee of RM25,000.00 per annum.</p>	Size of the Fund	Rate per annum	First RM20 million	0.06%	Next RM20million	0.05%	Next RM20 million	0.04%	Next RM20 million	0.03%	Next RM20 million	0.02%	Any amount in excess of RM100million	0.01%
Size of the Fund	Rate per annum															
First RM20 million	0.06%															
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Next RM20 million	0.03%															
Next RM20 million	0.02%															
Any amount in excess of RM100million	0.01%															
CIMB-Principal Equity Aggressive Fund 1	Up to 3.00% per annum, calculated daily on the NAV	0.06% per annum, calculated daily on the NAV.														
CIMB-Principal Equity Aggressive Fund 3	Up to 2.00% per annum, calculated daily on the NAV	0.08% per annum, calculated daily on the NAV.														
CIMB-Principal Equity Growth & Income Fund	Up to 1.50% per annum, calculated daily on the NAV	0.07% per annum, calculated daily on the NAV.														
CIMB-Principal Equity Income Fund	Up to 3.00% per annum, calculated daily on the NAV	0.06% per annum, calculated daily on the NAV.														
CIMB-Principal Small Cap Fund	Up to 2.00% per annum, calculated daily on the NAV	0.07% per annum, calculated daily on the NAV of the Fund (excluding foreign sub-custodian fees and charges).														
CIMB-Principal KLCI-Linked Fund	1.50% per annum calculated daily based on the NAV of the Fund	0.07% per annum calculated daily based on the NAV of the Fund. This fee, however may only be increased up to a maximum of 0.20% per annum subject to the agreement by the Manager and the Trustee.														
<b>Mixed Asset Funds</b>																
CIMB-Principal Balanced Fund	Up to 2.00% per annum, calculated daily on the NAV	0.08% per annum, calculated daily on the NAV.														
CIMB-Principal Balanced Income Fund	Up to 1.50% per annum, calculated daily on the NAV	<p>Calculated daily on the NAV</p> <table border="1"> <thead> <tr> <th>Size of the Fund</th> <th>Rate per annum</th> </tr> </thead> <tbody> <tr> <td>First RM20 million</td> <td>0.06%</td> </tr> <tr> <td>Next RM20million</td> <td>0.05%</td> </tr> <tr> <td>Next RM20 million</td> <td>0.04%</td> </tr> <tr> <td>Next RM20 million</td> <td>0.03%</td> </tr> <tr> <td>Next RM20 million</td> <td>0.02%</td> </tr> <tr> <td>Any amount in excess of RM100million</td> <td>0.01%</td> </tr> </tbody> </table> <p>in addition to custodian fee of RM20,000.00 per annum.</p>	Size of the Fund	Rate per annum	First RM20 million	0.06%	Next RM20million	0.05%	Next RM20 million	0.04%	Next RM20 million	0.03%	Next RM20 million	0.02%	Any amount in excess of RM100million	0.01%
Size of the Fund	Rate per annum															
First RM20 million	0.06%															
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Next RM20 million	0.03%															
Next RM20 million	0.02%															
Any amount in excess of RM100million	0.01%															
CIMB-Principal Income Plus Balanced Fund	Up to 2.00% per annum, calculated daily on the NAV	0.08% per annum, calculated daily on the NAV.														
<b>Fixed Income &amp; Money Market Funds</b>																
CIMB-Principal Bond Fund	Up to 1.50% per annum, calculated daily on the NAV	0.05% per annum, calculated daily on the NAV.														

	Fees	
	Management Fee % / RM	Trustee Fee % / RM
CIMB-Principal Strategic Bond Fund	Up to 1.50% per annum, calculated daily on the NAV	0.05% per annum, calculated daily on the NAV (excluding foreign sub-custodian fees and charges).
CIMB-Principal Deposit Fund	Up to 3.00% per annum, calculated daily on the NAV	0.04% per annum, calculated daily on the NAV.
CIMB-Principal Money Market Income Fund	Up to 1.00% per annum, calculated daily on the NAV	0.03% per annum, calculated daily on the NAV (excluding foreign sub-custodian fees and charges).
<b>Regional &amp; Global Funds</b>		
CIMB-Principal Asian Equity Fund	Up to 3.00% per annum, calculated daily on the NAV	0.035% per annum, calculated daily on the NAV (excluding foreign sub-custodian fees and charges).
CIMB-Principal Australian Equity Fund	Up to 3.0% per annum, calculated daily on the NAV	Up to 0.20% per annum, calculated daily on the NAV, but subject to a minimum fee of RM18,000 per annum (excluding foreign sub-custodian fees and charges).
CIMB-Principal China-India-Indonesia Equity Fund	Up to 3.00% per annum, calculated daily on the NAV	0.08% per annum, calculated daily on the NAV (excluding foreign sub-custodian fees and charges).
CIMB-Principal Greater China Equity Fund	Up to 3.00% per annum, calculated daily on the NAV	0.08% per annum, calculated daily on the NAV (excluding foreign sub-custodian fees and charges).

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

Any increase of the fees and/or charges above the maximum stated in the Deeds shall require Unit holders' approval.

*Note: The information disclosed in the Salient Terms of Deed section was extracted from the respective Deeds to the Funds. A lower fee and/or charges than what is stated in the Deeds may be charged, all current fees and/or charges are disclosed in this Master Prospectus. Please refer to the Fees, Charges and Expenses section for more information.*

## EXPENSES PERMITTED BY THE DEEDS

The Deeds also provide for payment of other expenses. The major expenses recoverable directly from the Funds include:

- commissions/fees paid to brokers/dealers in effecting dealings in the investments of the Funds, shown on the contract notes or confirmation notes or difference accounts;
- (where the custodial function is delegated by the Trustees), charges/fees paid to the sub-custodian;
- tax (including but not limited to GST) and other duties charged on the Funds by the government and other authorities if any and bank fees;
- the fees and other expenses properly incurred by the Auditor;
- remuneration and out of pocket expenses of the independent members of the investment committee or advisers (if any) of the Funds, unless the Manager decides to bear the same;
- fees for valuation of any investment of the Funds by independent valuers for the benefit of the Funds;
- costs incurred for the modification of the Deeds otherwise than for the benefit of the Manager or the Trustees;
- costs incurred for any meeting of Unit holders other than those convened for the benefit of the Manager or the Trustees;
- the sale, purchase, insurance, custody and any other dealings of investments including commissions/fees paid to brokers;
- costs involved with external specialists approved by the Trustees in investigating and evaluating any proposed investment;
- the engagement of valuers, advisers and contractors of all kinds;
- preparation and audit of the taxation returns and accounts of the Funds;
- termination of the Funds and the retirement or removal of the Trustees or the Manager and the appointment of a new trustee or manager;
- any proceedings, arbitration or other dispute concerning the Funds or any asset, including proceedings against the Trustees or the Manager by the other of them for the benefit of the Funds (except to the extent that legal costs incurred for the defense of either of them are not ordered by the court to be reimbursed out of the Funds); and
- costs of obtaining experts opinion by the Trustees and the Manager for the benefit of the Funds.
- all costs and/or expenses associated with the distributions declared pursuant to this 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.

The Manager and the Trustees are required to ensure that any fees or charges payable are reasonable and in accordance with the Deeds.

## **RETIREMENT, REMOVAL OR REPLACEMENT OF THE MANAGER**

The Manager must retire as the Manager when required to retire by law.

The Manager may retire upon giving twelve (12) months notice to the Trustees of its desire to do so, or such lesser time as the Manager and Trustees may agree, in favour of another corporation.

The Manager shall retire under the following circumstances:

- if a Special Resolution is duly passed by the Unit holders that the Manager be removed; or
- if the Manager ceases to be approved by the SC to be the management company of the Funds.

The Manager may be removed by the Trustees under certain circumstances outlined in the Deeds. These include:

- if the Manager shall have gone into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustees) or cease to carry on business or if a receiver shall be appointed of the undertaking or assets of the Manager or if any encumbrances shall take possession of any of its assets; or
- if the Manager ceases to carry on business; or
- if the Trustees are of the opinion that the Manager has, to the prejudice of the Unit holders, failed to comply with any provision or covenant under the Deeds or contravened any of the provisions of the CMSA; or
- if the Manager has failed or neglected to carry out its duties to the satisfaction of the Trustees and the Trustees consider that it would be in the interests of the Unit holders for it to do so, after the Trustees have given notice to it of that opinion and the reasons for that opinion, and has considered any representations made by the Manager in respect of that opinion, and after consultation with the SC and with the approval of the Unit holders.

The Manager may be replaced by another corporation appointed as manager by Special Resolution of the Unit holders at a Unit holders' meeting convened in accordance with the Deeds either by the Trustees or the Unit holders.

## **POWER OF THE MANAGER TO REMOVE / REPLACE THE TRUSTEES**

The Trustees may be removed in the event that:

- the Trustees have gone into liquidation; or
- the Trustees have not been validly appointed; or
- the Trustees are placed under receivership, ceases to exist, fails or neglects its duties; or
- the Trustees cease to be approved by the SC to be a trustee for unit trust schemes; or
- if a Special Resolution is duly passed by the Unit holders that the Trustees be removed; or
- the Trustees are under investigation for conduct that contravenes the Trust Companies Act 1949, the Trustee Act 1949, the Companies Act 1965, Public Trust Corporation Act 1995 or any securities law.

Additionally, the Manager is legislatively empowered under Section 299 of the CMSA to remove the Trustees under specific circumstances set out therein.

The Trustees may be replaced by another corporation appointed as trustees by a Special Resolution of the Unit holders at a Unit holder's meeting convened in accordance with the Deeds either by the Manager or the Unit holders.

## **RETIREMENT OR REMOVAL OR REPLACEMENT OF THE TRUSTEES**

The Manager and the Trustees may agree, and may by the Deeds appoint in its stead a new trustee approved by the SC.

The Trustees must retire as trustees of the Funds when required to retire by law. The Trustees may retire by giving twelve (12) months' notice to the Manager or any shorter notice the Manager accepts.

The Trustees covenant that it will retire from the Funds constituted by or pursuant to the Deeds if and when requested to do so by the Manager if:

- the Trustees have gone into liquidation; or
- the Trustees are placed under receivership, ceases to exist, fails or neglects its duties; or
- the Trustees cease 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 Trustees be removed.

Additionally, the Manager is legislatively empowered under Section 299 of the CMSA to remove the Trustees under specific circumstances set out therein.

The Trustees 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 Deeds either by the Manager or the Unit holders.

## **POWER OF THE TRUSTEES TO REMOVE, RETIRE OR REPLACE THE MANAGER**

The Manager may be removed by the Trustees on the grounds that are as stated under "Retirement, removal or replacement of the Manager".

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

## TERMINATION OF THE FUNDS

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

- (a) the SC's authorization is withdrawn under Section 256E of the CMSA;
- (b) a Special Resolution is passed at a Unit holders' meeting to terminate or wind-up the Funds, following the occurrence of events stipulated under Section 301(1) of the Act and the court has confirmed the resolution, as required under Section 301(2) of the CMSA;
- (c) a Special Resolution is passed at a Unit holders' meeting to terminate or wind-up the Funds;
- (d) the Fund(s) has reached the Maturity Date; or
- (e) the effective date of an approved transfer scheme, as defined under the SC Guidelines, has resulted in the Funds, which is the subject of the transfer scheme, being left with no asset/property.

## MEETINGS OF UNIT HOLDERS

A Unit holders' meeting may be called by the Manager, the Trustees and/or the Unit holders.

Where the Manager or the Trustees 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 in the following manner:

- (a) by sending by post a notice of the proposed meeting at least fourteen (14) days before the date of the proposed meeting, to each Unit holder at the Unit holder's last known address or, in the case of Joint Unit holders, to the Joint Unit holder whose name stands first in the records of the Manager at the Joint Unit holder's last known address; and
- (b) by publishing, at least fourteen (14) days before the date of the proposed meeting, an advertisement giving notice of the meeting in a national language newspaper published daily and circulating generally throughout Malaysia, and in one other newspaper as may be approved by the SC.

The Manager shall within twenty-one (21) days after an application is delivered to the Manager at its 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 to which the Deeds relate, summon a meeting of the Unit holders:

- (i) by sending a notice by post of the proposed meeting at least seven (7) days before the date of the proposed meeting to each of those Unit holders at his last known address or in the case of joint Unit holder, to the joint Unit holder whose name stands first in the Manager's records at the joint Unit holder's last known address; and
- (ii) 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,

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

The quorum for a meeting of Unit holders of the Fund is five (5) Unit holders of the Fund 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, whether present in person or by proxy, holding in aggregate at least twenty-five per centum (25%) of the units in issue for the Fund at the time of the meeting. If the Fund has five (5) or less Unit holders, the quorum required shall be two (2) Unit holders, 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, whether present in person or by proxy, holding in aggregate at least twenty-five per centum (25%) of the units in issue for the Fund at the time of the meeting.

Voting is by a show of hands, unless a poll is duly demanded or the resolution proposed is required by the Deeds or by law to be decided by a percentage of all units. Each Unit holder present in person or by proxy has one (1) vote on a show of hands. On a poll, each Unit holder present in person or by proxy has one (1) vote for each whole fully paid unit held. In the case of joint Unit holders, only the person whose name appears first in the register may vote. Units held by the Manager or its nominees shall have no voting rights in any Unit holders' meeting of the Fund. In respect of the termination or winding-up of the Fund, voting shall only be carried out by poll.

# APPROVALS AND CONDITIONS

## VARIATIONS AND/OR EXEMPTIONS TO THE SC GUIDELINES

We have obtained variations and/or exemptions to the SC Guidelines for the following Funds:

### **CIMB-Principal Deposit Fund**

CIMB-Principal has obtained approval from the SC for a variation of Clause 11.18 of the SC Guidelines, which allows the management company to issue statements every quarter and not every time a distribution is made which could be monthly or such period as decided by the Manager.

### **CIMB-Principal Income Plus Balanced Fund**

CIMB-Principal has obtained approval from the SC for a variation of Clause (5) of Schedule A of the SC Guidelines, which allows the Fund to invest up to 30% of its NAV in single issuer securities with ratings of 'AAA' or 'P1'.

### **CIMB-Principal Small Cap Fund**

CIMB-Principal has obtained approval from the SC for a variation of Clause 10.17(a) of the SC Guidelines which allow CIMB-Principal to pay Unit holder(s) within fifteen (15) days of the receipt of the redemption notice, when the Fund's total redemption amount is 15% or more of the total NAV of the Fund.

### **CIMB-Principal KLCI-Linked Fund**

CIMB-Principal has obtained approval from the SC for a variation of Clause (5) of Schedule A of the SC Guidelines (previously Clause 2.0(2) Schedule C – Appendix 1), which allows the Fund to invest according to the weightings of the component stocks in the FTSE Bursa Malaysia KLCI (formerly known as Kuala Lumpur Composite Index). In addition, up to 5.00% above the weightings is permitted for investments in securities related to the component stocks of the FTSE Bursa Malaysia KLCI.

### **CIMB-Principal Asian Equity Fund, CIMB-Principal Equity Income Fund, CIMB-Principal Balanced Income Fund, CIMB-Principal Income Plus Balanced Fund, CIMB-Principal Bond Fund, CIMB-Principal Strategic Bond Fund, CIMB-Principal Deposit Fund and CIMB-Principal Money Market Income Fund**

CIMB-Principal has obtained approval from the SC for an exemption to comply with Schedule B: Valuation of other unlisted bonds of the SC Guidelines which allow CIMB-Principal to obtain the price of non RM-denominated unlisted bonds from IDC for valuation purpose subject to these conditions:

1. the Manager is to keep abreast of the development of IDC's pricing methodology; and
2. the Manager is to continuously keep track on the acceptability of IDC's prices in the market place.

### **CIMB-Principal Australian Equity Fund**

CIMB-Principal has obtained approval from the SC for a variation of the following clauses:

- (a) Clause 10.51 of the SC Guidelines; to allow the Manager not to publish the daily unit price of the Fund for the days delivery of Schroder Australian Equity Fund's (SAEF's) unit price is delayed due to SAEF's post-financial year income distribution and audit.
- (b) Clause 10.11 of the SC Guidelines; for the days delivery of SAEF's unit price is delayed due to SAEF's post-financial year income calculation and audit, a management company should pay the trustee the value of units created as soon as possible, at most within 8 days of receipt of the written confirmation from the management company/investment manager of SAEF of the unit price of SAEF, to create units for the relevant day.
- (c) Clause 10.12 of the SC Guidelines; for the days delivery of SAEF's unit price is delayed due to SAEF's post-financial year income calculation and audit, a trustee should pay the management company the value of units cancelled as soon as possible, at most within 10 days of receipt of the written confirmation from the management company/investment manager of SAEF of the unit price SAEF, to cancel units for the relevant day. However, the trustee may extend the period where the fund does not have sufficient cash or liquid assets and the trustee considers payment within 10 days is not in the best interest of Unit holders.
- (d) Clause 10.17(a) of the SC Guidelines; for the days delivery of SAEF's unit price is delayed due to SAEF's post-financial year income calculation and audit, a management company should pay the Unit holder in cash the proceeds of the repurchase of units as possible, at most within 10 days of receipt of the written confirmation from the management company/investment manager of SAEF of the unit price of SAEF for the relevant day.

# RELATED-PARTY TRANSACTIONS / CONFLICT OF INTEREST

## POTENTIAL CONFLICTS OF INTERESTS AND RELATED-PARTY TRANSACTIONS

The Manager, its directors and any of its delegates including the Investment Committee members will at all times act in the best interests of the Unit holders of the Funds and will not conduct itself 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 Funds are not disadvantaged. In the unlikely event that CIMB-Principal faces conflicts in respect of its duties to the Funds and its duties to other CIMB-Principal Funds that it manages, CIMB-Principal is obliged to act in the best interests of all its investors and will seek to resolve any conflicts fairly and in accordance with the Deeds.

The Manager shall not act as principals in the sale and purchase of any securities or investments to and from the Funds. The Manager shall not make any investment for the Funds in any securities, properties or assets in which the Manager or its officer has financial interest in or from which the Manager or its officer derives a benefit, unless with the prior approval of the Trustees. Any investment committee member or director of CIMB-Principal who hold substantial shareholdings or directorships in public companies shall refrain from any decision making relating to that particular security of the Funds.

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

As the Trustees and service providers for all the Funds, there may be related party transactions involving or in connection with the Funds in the following events:

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

The Trustees have in place policies and procedures to deal with any conflict of interest situation. The Trustees will not make improper use of its position as the owner of a 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 Trustees and/or their related group of companies may deal with each other, the Funds or any Unit holder or enter into any contract or transaction with each other, the Funds or from any such contract or transaction or act in the same and similar capacity in relation to any other scheme.

## INTERESTS IN THE FUNDS

Subject to any legal requirement, the Manager or any related corporation of the Manager, or any officers or directors of any of them, may invest in the Funds. The directors of CIMB-Principal will receive no payments from the Funds other than distributions that they may receive as a result of investment in the Funds. No fees other than the ones set out in this Master Prospectus have been paid to any promoter of the Funds, or the Trustees (either to become a Trustee or for other services in connection with the Funds), or CIMB-Principal for any purpose.

## EMPLOYEES' SECURITIES DEALINGS

CIMB-Principal has in place a policy contained in its Rules of Business Conduct, which regulates its employees' securities dealings. An annual declaration of securities trading is required of all employees to ensure that there is no potential conflict of interest between the employees' securities trading and the execution of the employees' duties to the company and customers of the company.

# TAXATION REPORT

## **PricewaterhouseCoopers Taxation Services Sdn Bhd**

Level 10, 1 Sentral, Jalan Rakyat  
Kuala Lumpur Sentral  
P.O.Box 10192  
50706 Kuala Lumpur

## **The Board of Directors**

CIMB-Principal Asset Management Berhad  
10th Floor, Bangunan CIMB  
Jalan Semantan  
Damansara Heights  
50490 Kuala Lumpur

30 April 2016

Dear Sirs,

## **TAXATION OF THE TRUSTS OFFERED UNDER THE MASTER PROSPECTUS AND UNIT HOLDERS**

This letter has been prepared for inclusion in the Master Prospectus dated 30 June 2016 ("hereinafter referred to as "the Master Prospectus") in connection with the offer of units in the trusts listed in the **Appendix** ("the Trusts").

The taxation of income for both the Trusts and the unit holders are subject to the provisions of the Malaysian Income Tax Act 1967 ("the Act"). The applicable provisions are contained in Section 61 of the Act, which deals specifically with the taxation of trust bodies in Malaysia.

## **TAXATION OF THE TRUSTS**

The Trusts will be regarded as resident for Malaysian tax purposes since the trustees of the Trusts are resident in Malaysia.

### **(1) Domestic Investments**

#### **(i) General taxation**

The income of the Trusts consisting of dividends, interest (other than interest which is exempt from tax) and other investment income derived from or accruing in Malaysia, after deducting tax allowable expenses, is liable to Malaysian income tax at the rate of 24 per cent.

Gains on disposal of investments by the Trusts will not be subject to income tax.

#### **(ii) Dividends and Other Exempt Income**

Effective 1 January 2014, all companies would adopt the single-tier system. Hence, dividends received would be exempted from tax and the deductibility of expenses incurred against such dividend income would be disregarded. There will no longer be any tax refunds available for single-tier dividends received. Dividends received from companies under the single-tier system would be exempted.

The Trusts may receive Malaysian dividends which are tax exempt. The exempt dividends may be received from investments in companies which had previously enjoyed or are currently enjoying the various tax incentives provided under the law. The Trusts will not be taxable on such exempt income.

Interest or discount income derived from the following investments are exempt from tax:

- a) Securities or bonds issued or guaranteed by the Government of Malaysia;
- b) Debentures or sukuk<sup>1</sup>, other than convertible loan stocks, approved or authorized by, or lodged with, the Securities Commission<sup>2</sup> Malaysia;
- c) Bon Simpanan Malaysia issued by Bank Negara Malaysia; and
- d) Interest income paid or credited by Malaysia Building Society Berhad<sup>3</sup>.

<sup>1</sup> Pursuant to the Finance Act 2015 which was gazetted on 30 December 2015, the words "Islamic Securities" were substituted with the words "sukuk".

<sup>2</sup> Pursuant to the Finance Act 2015 which was gazetted on 30 December 2015, the words "approved by the Securities Commission" were substituted with the words "approved or authorized by, or lodged with, the Securities Commission".

As such, provided the investment in structured products is seen to be “debentures” under Capital Markets and Services Act 2007, the income received will be exempted. Otherwise, tax implications could arise.

Interest income derived from the following investments are exempt from tax:

- a) Interest paid or credited by any bank or financial institution licensed under the Financial Services Act 2013 or Islamic Financial Services Act 2013;
- b) Interest paid or credited by any development financial institution regulated under the Development Financial Institutions Act 2002; and
- c) Bonds, other than convertible loan stocks, paid or credited by any company listed in Bursa Malaysia Securities Berhad ACE Market.

The interest income or discount exempted from tax at the Trusts’ level will also be exempted from tax upon distribution to the unit holders.

## **(2) Foreign Investments**

Income of the Trusts in respect of overseas investment is exempt from Malaysian tax by virtue of Paragraph 28 of Schedule 6 of the Act and distributions from such income will be tax exempt in the hands of the unit holders. Such income from foreign investments may be subject to taxes or withholding taxes in the specific foreign country. However, any foreign tax suffered on the income in respect of overseas investment is not tax refundable to the Trusts in Malaysia.

The foreign income exempted from Malaysian tax at the Trusts level will also be exempted from tax upon distribution to the unit holders.

## **(3) Hedging Instruments**

The tax treatment of hedging instruments would depend on the particular hedging instruments entered into.

Generally, any gain / loss relating to the principal portion will be treated as capital gain / loss. Gains / losses relating to the income portion would normally be treated as revenue gains / losses. The gain / loss on revaluation will only be taxed or claimed upon realisation. Any gain / loss on foreign exchange is treated as capital gain / loss if it arises from the revaluation of the principal portion of the investment.

## **(4) Income from Malaysia Real Estate Investment Trusts (“REITs”)**

Income from distribution from REITs will be received net of final withholding tax of 10<sup>4</sup> per cent. No further tax will be payable by the Trusts on the distribution. Distribution from such income by the Trusts will also not be subject to further tax in the hands of the unit holders.

## **(5) Securities Borrowing and Lending Transaction (“SBL”)**

The following is a summary of tax treatment of SBL transactions in Malaysia and the Malaysian securities listed on Bursa Malaysia Berhad (“Bursa”).

Pursuant to Income Tax (Exemption) (No. 30) Order 1995 - Revised 2008, the authorised borrower or lender in a SBL approved by SC will qualify for tax exemption on any income (other than dividends, manufactured payments, lending fees and interest earned on collateral) arising from loan of securities listed under Bursa. The same exemption also applies on the return of the same or equivalent securities and the corresponding exchange of collateral.

The Trusts may be receiving income such as exit fee which will be subject to tax at the rate of 24 per cent.

Lending fees are taxable when received by the lender. Withholding tax of 10 percent is also applicable if the borrower pays lending fees to a non-resident lender.

Interest earned on collateral is not exempted from income tax / withholding tax. Interest paid by Bursa Malaysia Securities Clearing Sdn Bhd on cash collateral will be exempted from tax when received by non-resident borrowers and individual borrowers who are residents.

Pursuant to Stamp Duty (Exemption) (No.28) Order 1995 and Stamp Duty (Exemption) (No. 12) Order 2000, the instrument of transfer of securities listed on Bursa and Bursa Malaysia Securities Malaysia Berhad ACE Market executed in favour of a borrower or lender and an instrument of transfer of collateral are exempted from stamp duty.

## **(6) Tax Deductible Expenses**

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<sup>3</sup> Pursuant to the letters from Ministry of Finance Malaysia dated 11 June 2015 and 16 June 2015 with effect from year of assessment (“YA”) 2015.

<sup>4</sup> Pursuant to Finance Act 2012, the reduced withholding tax rate of 10% has been extended from 1 January 2012 to 31 December 2016.

Expenses wholly and exclusively incurred in the production of gross income are allowable as deductions under Section 33(1) of the Act. In addition, Section 63B of the Act provides for tax deduction in respect of managers' remuneration, expenses on maintenance of the register of unit holders, share registration expenses, secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postages. The deduction is based on a formula subject to a minimum of 10 per cent and a maximum of 25 per cent of the expenses.

#### (7) Real Property Gains Tax ("RPGT")

With effect from 1 January 2014, any gains on disposal of real properties or shares in real property companies<sup>5</sup> would be subject to RPGT as follows:-

Disposal time frame	RPGT rates
Within 3 years	30%
In the 4 <sup>th</sup> year	20%
In the 5 <sup>th</sup> year	15%
In the 6 <sup>th</sup> year and subsequent years	5%

#### (8) Goods and Services Tax ("GST")

GST has been implemented effective 1 April 2015 at the rate of 6% to replace the existing sales tax and service tax. Based on the guidelines<sup>6</sup> issued, the Trust, being collective investment vehicles, will be making exempt supplies. Hence, the Trust is not required to register for GST purposes. However, the Trust will incur expenses such as management fees, trustee fees and other administrative charges which will be subject to 6% GST. The 6% input tax incurred on such expenses will not be claimable by the Trust and represents a cost to the Trust.

#### TAXATION OF UNIT HOLDERS

Unit holders will be taxed on an amount equivalent to their share of the total taxable income of the Trusts to the extent of the distributions received from the Trusts. The income distribution from the Trusts will carry a tax credit in respect of the Malaysian tax paid by the Trusts. Unit holders will be entitled to utilise the tax credit against the tax payable on the income distribution received by them. No additional withholding tax will be imposed on the income distribution from the Trusts.

Non-resident unit holders may also be subject to tax in their respective jurisdictions. Depending on the provisions of the relevant country's tax legislation and any double tax treaty with Malaysia, the Malaysian tax suffered may be creditable against the relevant foreign tax.

Corporate unit holders, resident<sup>7</sup> and non-resident, will generally be liable to income tax at 24 per cent on distribution of income received from the Trust. The tax credits attributable to the distribution of income can be utilised against the tax liabilities of these unit holders.

Individuals and other non-corporate unit holders who are tax resident in Malaysia will be subject to income tax at graduated rates ranging from 1 per cent to 28<sup>8</sup> per cent. Individuals and other non-corporate unit holders who are not resident in Malaysia will be subject to income tax at 28<sup>9</sup> per cent. The tax credits attributable to the distribution of income can be utilised against the tax liabilities of these unit holders.

<sup>5</sup> A real property company is a controlled company which owns or acquires real property or shares in real property companies with a market value of not less than 75 per cent of its total tangible assets. A controlled company is a company which does not have more than 50 members and is controlled by not more than 5 persons.

<sup>6</sup> Pursuant to GST Guide on Fund Management (as at 11 April 2016 issued by the Royal Malaysian Customs).

<sup>7</sup> Resident companies with paid up capital in respect of ordinary shares of RM2.5 million and below will pay tax at 19 per cent for the first RM500,000 of chargeable income with the balance taxed at 24 per cent.

With effect from YA 2009, the above shall not apply if more than –

- (a) 50 per cent of the paid up capital in respect of ordinary shares of the company is directly or indirectly owned by a related company;
- (b) 50 per cent of the paid up capital in respect of ordinary shares of the related company is directly or indirectly owned by the first mentioned company;
- (c) 50 per cent of the paid up capital in respect of ordinary shares of the first mentioned company and the related company is directly or indirectly owned by another company.

"Related company" means a company which has a paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of the basis period for a YA.

<sup>8</sup> Pursuant to the Finance Act 2015 which was gazetted on 30 December 2015, the income tax rates for individual tax residents in Malaysia will be increased to rates ranging from 1 to 28 per cent effective YA 2016.

<sup>9</sup> Pursuant to the Finance Act 2015 which was gazetted on 30 December 2015, the income tax rate for non-resident individuals will be increased to 28 per cent effective YA 2016.

The distribution of exempt income and gains arising from the disposal of investments by the Trust will be exempted from tax in the hands of the unit holders.

Any gains realised by unit holders (other than dealers in securities, insurance companies or financial institutions) on the sale or redemption of the units are treated as capital gains and will not be subject to income tax. This tax treatment will include gains in the form of cash or residual distribution in the event of the winding up of the Trust.

Unit holders electing to receive their income distribution by way of investment in the form of new units will be regarded as having purchased the new units out of their income distribution after tax.

Unit splits issued by the Trust are not taxable in the hands of unit holders.

The issuance of units by the Trust is an exempt supply. The selling or redemption of the units is also an exempt supply and therefore is not subject to GST. Any fee based charges related to buying of the units by unit holders in Malaysia and outside Malaysia such as sales or service charge or switching fees will be subject to GST at a standard rate of 6%.

We hereby confirm that the statements made in this report correctly reflect our understanding of the tax position under current Malaysian tax legislation. Our comments above are general in nature and cover taxation in the context of Malaysian tax legislation only and do not cover foreign tax legislation. The comments do not represent specific tax advice to any investors and we recommend that investors obtain independent advice on the tax issues associated with their investments in the Trusts.

Yours faithfully,  
for and on behalf of  
**PRICEWATERHOUSECOOPERS TAXATION SERVICES SDN BHD**

Jennifer Chang  
Senior Executive Director

PricewaterhouseCoopers Taxation Services Sdn Bhd have given their written consent to the inclusion of their report as tax adviser in the form and context in which it appears in the Master Prospectus and have not, before the date of issue of the Master Prospectus, withdrawn such consent.

## APPENDIX

The Trusts consist of the following 18 funds:-

1.	CIMB-Principal Equity Fund
2.	CIMB-Principal Equity Aggressive Fund 1
3.	CIMB-Principal Equity Aggressive Fund 3
4.	CIMB-Principal Equity Growth & Income Fund
5.	CIMB-Principal Equity Income Fund
6.	CIMB-Principal Small Cap Fund
7.	CIMB-Principal KLCI-Linked Fund
8.	CIMB-Principal Balanced Fund
9.	CIMB-Principal Balanced Income Fund
10.	CIMB-Principal Income Plus Balanced Fund
11.	CIMB-Principal Bond Fund
12.	CIMB-Principal Strategic Bond Fund
13.	CIMB-Principal Deposit Fund
14.	CIMB-Principal Money Market Income Fund
15.	CIMB-Principal Asian Equity Fund
16.	CIMB-Principal Australian Equity Fund
17.	CIMB-Principal China-India-Indonesia Equity Fund
18.	CIMB-Principal Greater China Equity Fund

# ADDITIONAL INFORMATION

## INVESTOR SERVICES

### How will I be informed about my investment?

We will send you a written confirmation of:

- Your CIMB-Principal account number;
- All your transactions and distributions (if any);
- The details of your investment quarterly; and
- The financial accounts of the Fund for each half-year within two (2) months from the end of the half-year or financial year, as the case may be.

If you write in to make any changes to your address, you will receive a written confirmation from us.

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 to be a Unit holder under the Deed. As such, you may obtain the above-mentioned information from that IUTA.

### How can I obtain information about the performance of the Fund?

You can obtain up-to-date fund information from our monthly fund fact sheets and our website, <http://www.cimb-principal.com.my>

### Who do I contact if I need information about my investment?

You can contact our **Customer Care Centre** at **(03) 7718 3100**. Our Customer Care Centre is available Mondays to Fridays (except on Selangor public holidays), from 8:30 a.m. to 5:30 p.m. (Malaysian time) or you can email us at [service@cimb-principal.com.my](mailto:service@cimb-principal.com.my).

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

**CIMB-Principal Asset Management Berhad**  
**Customer Care Centre**  
50, 52 & 54 Jalan SS 21/39  
Damansara Utama  
47400 Petaling Jaya  
Selangor Darul Ehsan MALAYSIA

### Who should I contact for further information or to lodge a complaint?

(i) You may contact our Customer Care Centre at (03) 7718 3100. Our Customer Care Centre is available Mondays to Fridays (except on Selangor public holidays), from 8:30 a.m. to 5:30 p.m. (Malaysian time) or you can e-mail us at [service@cimb-principal.com.my](mailto:service@cimb-principal.com.my).

(ii) Alternatively, you may also contact:

(a) Securities Industry Dispute Resolution Center (SIDREC):

- via phone to : (03) 2282 2280
- via fax to : (03) 2282 3855
- via e-mail to : [info@sidrec.com.my](mailto:info@sidrec.com.my)
- via letter to : Securities Industry Dispute Resolution Center (SIDREC)  
Unit A-9-1, Level 9, Tower A  
Menara UOA Bangsar  
No.5, Jalan Bangsar Utama 1  
59000 Kuala Lumpur

(b) SC's Investor Affairs & Complaints Department:

- via phone to Aduan Hotline at : (03) 6204 8999
- via fax to : (03) 6204 8991
- via e-mail to : [aduan@seccom.com.my](mailto:aduan@seccom.com.my)
- via online complaint form available at [www.sc.com.my](http://www.sc.com.my)
- via letter to : Investor Affairs & Complaints Department  
Securities Commission Malaysia  
No 3 Persiaran Bukit Kiara  
Bukit Kiara  
50490 Kuala Lumpur

(c) FIMM's Complaints Bureau:

- via phone to : (03) 2092 3800
- via fax to : (03) 2093 2700
- via e-mail to : [legalcomp@fimm.com.my](mailto:legalcomp@fimm.com.my)
- via online complaint form available at [www.fimm.com.my](http://www.fimm.com.my)
- via letter to : Legal, Secretarial & Regulatory Affairs  
Federation of Investment Managers Malaysia  
19-06-1, 6th Floor Wisma Tune,  
No. 19, Lorong Dungun Damansara Heights  
50490 Kuala Lumpur

## **ANTI-MONEY LAUNDERING, ANTI-TERRORISM FINANCING AND PROCEEDS OF UNLAWFUL ACTIVITIES ACT 2001**

In order to comply with the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 ("AMLATFA") and the relevant policies, procedures, guidelines and/or regulations aimed at the prevention of money laundering, the Manager will be required to obtain satisfactory evidence of customer's identity and have effective procedures for verifying the bona fides of customers.

The Manager conducts ongoing due diligence and scrutiny of customers' identity and his/her investment objectives which may be undertaken throughout the course of the business relationship to ensure that the transactions being conducted are consistent with the Manager's knowledge of the customer, its business and its risk profile.

It may not have direct contact with such customers and depending on the circumstances of each application, a detailed verification of identity might not be required where:

- (i) the applicant makes the payment for his/her investment from an account held in the applicant's name at a recognised financial institution;
- (ii) the applicant is regulated by a recognised regulatory authority and is based or incorporated in, or formed under the law of, a recognised jurisdiction; or
- (iii) the application is made through an intermediary which is regulated/licensed by a recognised regulatory authority and is based in or incorporated in, or formed under the law of a recognised jurisdiction.

The Manager also reserves the right to request such information as is necessary to verify the source of the payment. The Manager may refuse to accept the application and the subscription moneys if an applicant of units delays in producing or fails to produce any information required for the purposes of verification of identity or source of funds, and in that event the Manager shall return the application moneys (without interest and at the expense of the applicant) by telegraphic transfer to the account from which the moneys were originally sent/or by way of a cheque to the applicant's last known address on the records of the Manager.

A transaction or a series of transaction shall be considered as 'suspicious' if the transaction in question is inconsistent with the customer's known transaction profile or does not make economic sense. Suspicious transactions shall be submitted directly to the Financial Intelligence and Enforcement Department of Bank Negara Malaysia.

## **DISTRIBUTION CHANNELS WHERE UNITS CAN BE PURCHASED OR REDEEMED**

The Funds are distributed via the following channels:

- CIMB-Principal's offices;
- CWA;
- IUTAs; and
- such other channels as the Manager may decide from time to time.

The addresses and contact numbers of the head office and regional offices of CIMB-Principal are disclosed in the Corporate Directory. The Distributors of the Fund are listed in the "Distributors of the Funds" chapter.

# CONSENT

PricewaterhouseCoopers Taxation Services Sdn. Bhd., AmanahRaya Trustees Berhad, Maybank Trustees Berhad, PB Trustee Services Berhad, HSBC (Malaysia) Trustee Berhad and Universal Trustee (Malaysia) Berhad have given their written consent to act in their respective capacity. They have also given their consent for the inclusion of their names and/or statements and/or reports in the Master Prospectus in the form and context in which it appears and have not subsequently withdrawn their consent to the inclusion of their names and/or statements and/or reports in the form and context in which it appears in this Master Prospectus.

# DOCUMENTS AVAILABLE FOR INSPECTION

For a period of not less than twelve (12) months from the date of this Master Prospectus, you may inspect the following documents or copies thereof in relation to the Funds (upon request) at our principal place of business and/or the business address of the Trustees (where applicable) without charge:

- The Deeds of the Funds;
- Material contracts or documents referred to in this Master Prospectus and, in the case of contracts not reduced into writing, a memorandum which gives full particulars of the contracts;
- The Schroder International Selection Fund Prospectus dated February 2015;
- The Schroder Institutional Series Product Disclosure Statement dated 1 February 2011;
- All reports, letters or other documents, valuations and statements by any expert, any part of which is extracted or referred to in this Master Prospectus;
- The audited financial statements of the Funds (where applicable) for the last three (3) financial years;
- Writ and relevant cause papers for all current material litigation and arbitration disclosed in this Master Prospectus; and
- Any consent given by experts or persons whose statement appears in this Master Prospectus.

# DISTRIBUTORS OF THE FUNDS

The CIMB-Principal Funds are available from (but not limited to) the following distributors and their branches:

## **CIMB-Principal Asset Management Berhad (304078-K)**

### **CWA**

50, 52 & 54, Jalan SS21/39  
Damansara Utama  
47400 Petaling Jaya  
Selangor Darul Ehsan MALAYSIA  
(03) 7718 3000

*(Distributor for all Funds)*

## **CIMB Investment Bank Berhad – Retail Equities (18417-M)**

(A Participating Organisation of Bursa Malaysia Securities Berhad)

17th Floor, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral,  
50470 Kuala Lumpur MALAYSIA  
(03) 22618888

*(Distributor for EF, EAF3, SCF, BF, IPBF, BOF, SBF, DF, MMIF, CIIEF, GCEF and CAEF)*

## **Alliance Bank Malaysia Berhad (88103-W)**

Level 5, Menara Multi-Purpose  
Capital Square  
8, Jalan Munshi Abdullah  
50100 Kuala Lumpur  
(03) 2694 8800

*(Distributor for IPBF, BOF and SBF)*

## **Citibank Berhad (297089 M)**

Head Office  
Citibank Investment Services  
89, Jalan Ampang  
PO Box 11725  
50754 Kuala Lumpur MALAYSIA  
(03) 2383 8833

*(Distributor for EF, EAF1, EAF3, EIF, SCF, BF, BIF, IPBF, BOF, SBF, GCEF, CAEF and KLF)*

## **HSBC Bank Malaysia Berhad (127776-V)**

Head Office  
Personal Financial Services  
2, Leboh Ampang  
50100 Kuala Lumpur MALAYSIA  
(03) 2050 7878

*(Distributor for EAF3, EGIF, GCEF, BF, IPBF, BOF, CIIEF, CAEF and EF)*

## **Kenanga Investment Bank Berhad (15678-H)**

8th Floor Kenanga International,  
Jalan Sultan Ismail  
50250 Kuala Lumpur MALAYSIA  
(03) 2164 9080

*(Distributor for EF, EAF1, EAF3, EGIF, EIF, SCF, BF, BIF, IPBF, BOF, SBF, DF, MMIF, CIIEF, GCEF and CAEF)*

## **Phillip Mutual Berhad (570409-K)**

B-2-7, Megan Avenue II  
Jalan Yap Kwan Seng  
50450 Kuala Lumpur MALAYSIA  
(03) 2783 0300

*(Distributor for EF, EAF3, EGIF, SCF, MMIF, BOF, SBF, CIIEF, GCEF and CAEF)*

## **CIMB Bank Berhad (13491-P)**

Menara Bumiputra-Commerce  
11, Jalan Raja Laut  
50350 Kuala Lumpur MALAYSIA  
1 300 880 900

*(Distributor for EF, EAF1, EAF3, EGIF, EIF, SCF, BF, BIF, IPBF, BOF, SBF, DF, MMIF, CIIEF, GCEF, CAEF and KLF)*

## **CIMB Private Banking (18417-M)**

17th Floor, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral,  
50470 Kuala Lumpur MALAYSIA  
(03) 22618888

*(Distributor for EF, EAF1, EAF3, EGIF, EIF, SCF, BF, BIF, IPBF, BOF, SBF, DF, MMIF, AEF, CIIEF, GCEF and CAEF)*

## **AmInvestment Bank Berhad (23742-V)**

18th Floor, Bangunan AmBank Group  
55, Jalan Raja Chulan  
50200 Kuala Lumpur MALAYSIA  
(03) 2036 1300

*(Distributor for EF, EAF3, EGIF, EIF, SCF, BF, BIF, IPBF, BOF, DF and MMIF)*

## **Hong Leong Bank Berhad (97141-X)**

Level 3A, Wisma Hong Leong  
18, Jalan Tun Perak  
50450 Kuala Lumpur MALAYSIA  
(03) 2164 2828

*(Distributor for EF, EAF1, EAF3, EGIF, EIF, SCF, BF, BIF, IPBF, BOF, SBF, DF, MMIF, CIIEF, GCEF and CAEF)*

## **IFAST Capital Sdn. Bhd. (782978-H)**

Level 28, Menara Standard Chartered  
No 30, Jalan Sultan Ismail  
50250 Kuala Lumpur  
(03) 2149 0660

*(Distributor for CIIEF, EAF3, EF, EGIF, BF, BOF, IPBF, SBF, SCF, CAEF and GCEF)*

## **OCBC Bank (Malaysia) Berhad (295400-W)**

Head Office  
Menara OCBC, Level 16,  
18, Jalan Tun Perak  
50500 Kuala Lumpur MALAYSIA  
(03) 2034 5034

*(Distributor for EF, EAF3, EGIF, SCF, BF, IPBF, BOF, SBF and GCEF)*

## **RHB Bank Berhad (6171-M)**

Investment Services Department  
Level 9, Tower 2, RHB Centre  
Jalan Tun Razak  
50400 Kuala Lumpur MALAYSIA  
(03) 9206 8118

*(Distributor for EF, EAF1, EAF3, EGIF, EIF, SCF, BF, BIF, IPBF, BOF, SBF, DF and MMIF)*

**Standard Chartered Bank Malaysia Berhad (115793-P)**

Menara Standard Chartered  
Level 8, 30 Jalan Sultan Ismail  
50250 Kuala Lumpur MALAYSIA  
(03) 7718 9688

*(Distributor for EF, EAF3, BF, BIF, IPBF, BOF, GCEF, CAEF  
and KLF)*

**United Overseas Bank (Malaysia) Bhd (271809-K)**

Level 2, Menara UOB  
Jalan Raja Laut  
50350 Kuala Lumpur MALAYSIA  
(03) 2732 4332

*(Distributor for EF, EAF1, EAF3, EGIF, EIF, SCF, BF, IPBF,  
BOF, SBF and MMIF)*

# APPENDIX I – UNIT TRUST LOAN FINANCING RISK DISCLOSURE STATEMENT

**Investing in a unit trust fund with borrowed money is more risky than investing with your own savings.**

You should assess if loan financing is suitable for you in light of your objectives, attitudes to risk and financial circumstances. You should be aware of the risks, which would include the following:

1. The higher the margin of financing (that is, the amount of money you borrow for every Ringgit of your own money that you put in as deposit or down payment) the greater the loss or gain on your investment.
2. You should assess whether you have the ability to service the repayments on the proposed loan. If your loan is a variable rate loan, and if interest rates rise, your total repayment amount will be increased.
3. If unit prices fall beyond a certain level, you may be asked to provide additional acceptable collateral (where units are used as collateral) or pay additional amounts on top of your normal installments. If you fail to comply within the time prescribed, your units may be sold towards the settlement of your loan.
4. Returns on unit trusts are not guaranteed and may not be earned evenly over time. This means that there may be some years where returns are high and other years where losses are experienced. Whether you eventually realise a gain or loss may be affected by the timing of the sale of your units. The value of units may fall just when you want your money back even though the investment may have done well in the past.

The brief statement cannot disclose all the risks and other aspects of loan financing. You should therefore carefully study the terms and conditions before you decide to take a loan. If you are in doubt about any aspect of this Risk Disclosure Statement or the terms of the loan financing, you should consult the institution offering the loan.

## **ACKNOWLEDGEMENT OF RECEIPT OF RISK DISCLOSURE STATEMENT**

I acknowledge that I have received a copy of this Unit Trust Loan Financing Risk Disclosure Statement and understand its contents.

Signature :

Full name :

Date :

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**CIMB-Principal Asset Management Berhad** (304078-K)

**Enquiries:**

Customer Care Centre **(603) 7718 3100**

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