

CIMB-Principal Small Cap Fund

RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the directors or authorised committee or persons approved by the Board of CIMB-Principal Asset Management Berhad 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 the Product Highlights Sheet false or misleading.

STATEMENTS OF DISCLAIMER

The Securities Commission Malaysia has authorised the issuance of CIMB-Principal Small Cap Fund and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the CIMB-Principal Small Cap Fund and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the CIMB-Principal Small Cap Fund or assumes the responsibility for the correctness of any statement made, opinion expressed or report contained in this Product Highlights Sheet.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of CIMB-Principal Asset Management Berhad, responsible for the CIMB-Principal Small Cap Fund and takes no responsibility for the contents of this Product Highlights Sheet. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Product Highlights Sheet, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

This Product Highlights Sheet only highlights the key features and risks of this unlisted capital market product. Investors are advised to request, read and understand the disclosure document before deciding to invest.

PRODUCT HIGHLIGHTS SHEET

CIMB-PRINCIPAL SMALL CAP FUND

BRIEF INFORMATION ON THE PRODUCT

1. What is this product about?

CIMB-Principal Small Cap Fund is an equity fund issued by CIMB-Principal Asset Management Berhad, aims 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.

This is neither a capital protected nor capital guaranteed fund.

PRODUCT SUITABILITY

2. Who is this product suitable for?

The recommended investment timeframe for this Fund is five (5) years or more. This Fund is suitable for investors who:

- have a long-term investment horizon;
- want to diversify their overall investment portfolio by including shares as an asset class, in particular, shares of smaller companies;
- are seeking capital appreciation over the long-term; and/or
- can accept that investment returns may fluctuate significantly over the short-term and may even be negative.

KEY PRODUCT FEATURES

3. What am I investing in?

Fund Category/Type	Equity (Small-Cap) / Growth.
Benchmark	FTSE Bursa Malaysia Small Cap Index.
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.
Launch date	20 April 2004.
Financial year-end	31 December.
Distribution policy	No distribution is expected to be paid, however, distribution, if any, will be incidental.

4. Who am I investing with?

Manager	CIMB-Principal Asset Management Berhad.
Trustee	Maybank Trustees Berhad.
Solicitors	Soon Gan Dion & Partners.

5. What are the key risks associated with this product?

General risks of investing in a unit trust fund	
Returns not guaranteed	Investors should be aware that by investing in a unit trust fund, there is NO GUARANTEE of any income distribution or capital appreciation. However, the manager mitigates this risk by ensuring diligent management of the assets of the funds based on a structured investment process.
General market environment risk	A unit trust fund may be prone to changing market conditions such as change in governmental policies or political conditions, which may result in uncertainties and fluctuations in the price of the securities of the funds' investment portfolios and hence, the fund's net asset value.
Security specific risk	There are many specific risks which apply to the individual security, which may be detrimental to the value of the security. To mitigate these security specific risks, the Manager will perform continuous fundamental research and analysis and ensure diversification is provided in the portfolio.
Liquidity risk	This can be defined as the ease with which a security can be sold. If a security encounters a liquidity crunch, the security may need to be sold at unfavorable price. This in turn would depress the net asset value of the fund.
Inflation risk	Inflation is the risk that a unit trust fund's assets or income from a unit trust fund's investments may be worth less in the future as inflation decreases the real value of money. This risk can be mitigated by investing in securities that can provide a positive real rate of return.
Risk of non-compliance	Risk arises from non-conformance with applicable laws, rules, regulations and deeds by the manager or its fund management delegate. The possibility of a breakdown in the manager's or the fund management delegate's prescribed practices and internal policies and procedures may have an impact on the fund's net asset value.
Manager's risk	The performance of any unit trust funds is dependent amongst others on the knowledge and investment techniques or processes adopted by the manager and any lack of the above would have an adverse impact on the funds' performance thereby working to the detriment of unit holders.
Loan financing risk	If a loan is obtained to finance the purchases of units of any unit trust funds, investors will need to understand that borrowing increases the magnitude for gains or losses. Hence, the risk of using loan financing should be carefully assessed.
Specific risks of the Fund	
Stock specific risk	In general, the value of a particular stock fluctuates in response to activities of individual companies and in response to market conditions. These irregular fluctuations of the value of a particular stock may affect the Fund's NAV.
Liquidity risk	This risk is defined as the ease with which a security can be sold. Additional risk incurred when investing in this Fund as it invests primarily in smaller companies that are listed on the Bursa Malaysia.

FEES & CHARGES
6. What are the fees and charges involved?

Application Fee	CWA	: Up to 6.00% of the NAV per unit
	Other IUTAs	: Up to 6.00% of the NAV per unit
Withdrawal Fee	Nil.	
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. 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.	
Transfer Fee	A maximum of RM50.00 may be charged for each transfer.	
Management Fee	Up to 1.50% per annum of the NAV of the Fund.	
Trustee Fee	0.07% per annum of the NAV of the Fund.	
Other charges payable directly by the investor when purchasing or redeeming the units	Any applicable bank charges and other bank fees incurred as a result of an investment or redemption will be borne by the investor.	

Expenses directly related to the Fund	Only expenses that are directly related to the Fund can be charged to the Fund. Examples of relevant expenses are audit fee and tax agent's fee.
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Note: The Manager may, for any reason at any time, where applicable, waive or reduce the amount of any fees (except the Management Fee and Trustee Fee) or other charges payable by the investor in respect of the Fund, either generally (for all investors) or specifically (for any particular investor) and for any period or periods of time at its absolute discretion.

TRANSACTION INFORMATION

7. What are the transaction details?

Minimum initial investment*	Non-RSP	: RM500
	RSP**	: RM500
Minimum additional investment*	Non-RSP	: RM200
	RSP**	: RM200
Minimum withdrawal [^]	RM200 or 800 units.	
Minimum balance	1,000 units.	
Switching	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 from time to time decide. 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 to stay invested in that Fund. The Manager may, at its absolute discretion, allow switching into (or out of) a Fund.	
Transfer	Transfer of unit holdings is allowed but this is subject to conditions stipulated in the respective Deeds.	
Cooling off period	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. However, corporations/institutions, CIMB-Principal's staff and person(s) registered to deal in unit trust of CIMB-Principal or any Distributors are not entitled to the cooling-off right.	

* For avoidance of doubt, the amount stipulated in the minimum initial investment and minimum additional investment includes any applicable fees and charges, such as sales charge, as the case may be, which are subject to any applicable taxes (including but not limited to GST). In other words, the amount is gross of fees, charges and any applicable taxes (including but not limited to GST).

** 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.

[^] Whichever is higher in value (RM) or such other amount as the Manager may from time to time decide and any withdrawal is subject to the minimum balance being maintained.

VALUATIONS AND EXITING FROM INVESTMENT

8. How often are valuations available?

Funds without foreign investments:

The valuation point will be carried out on each Business Day at the close of the Bursa Malaysia. The unit price (i.e. NAV per unit of the Fund) 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. Should investors rely on the local dailies, the unit price is published in the local dailies on the following Business Day.

Funds with foreign investments:

The valuation point for a Business Day will be carried out 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 based on the bid exchange rate quoted by Bloomberg/Reuters at UK time 4:00 p.m. which is equivalent to 11:00 p.m. or 12:00 a.m. midnight (Malaysian time) 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 (i.e. NAV per unit of the Fund) 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.

For any transactions (i.e. purchases, redemptions, switches or transfers) before 4:00 p.m. on a Business Day, the price for these transactions will be the unit pricing for that Business Day. Transactions at or after 4:00 p.m. will be processed using the unit pricing for the next Business Day.

9. How can I exit from this investment and what are the risks and costs involved?

To exit from this investment, you may withdraw from the Fund, switch out of the Fund or transfer your unit holdings to other investors. Please refer to the "Fees & Charges" and "Transaction Information" sections for details on switching and transfer facility.

Withdrawals can be made from the Fund by completing a redemption form and sending it to the relevant Distributors. For Institutional Marketing sales, please go to the head office of CIMB-Principal. There is no restriction on the frequency of

withdrawals. The amount that you will receive is calculated by the withdrawal value less the Withdrawal Fee, if any. That amount will be paid in RM within ten (10) calendar days. 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 charged to you.

For this Fund, if the Fund's total redemption amount is fifteen percent (15%) or more of the total NAV of the Fund of the day, the Manager is allowed to pay Unit holder(s) within fifteen (15) calendar days from the receipt by the Manager of the redemption notice.

THE MANAGER

CIMB-Principal holds a Capital Markets Services License for fund management and dealing in unit trust products under the CMSA and specializes in managing and operating unit trusts for investor, 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. CIMB-Principal originally commenced its operations as a unit trust company in November 1995.

CONTACT INFORMATION

10. 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.

(ii) Alternatively, you may also contact:

(a) Securities Industries Dispute Resolution Corporation (SIDREC):

- via phone to : 03-2282 2280
- via fax to : 03-2282 3855
- via e-mail to : 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
- via online complaint form available at 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
- via online complaint form available at 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

APPENDIX: GLOSSARY

Application Fee	- Preliminary charge on each investment.
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.
CIMB-Principal or the Manager	- CIMB-Principal Asset Management Berhad (304078-K).
CMSA	- Capital Markets and Services Act 2007.
CWA	- Refers to the unit trust consultants of CIMB-Principal.
Deeds	- The Master 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.
Distributors	- Any relevant persons and bodies appointed by CIMB-Principal from time to time who are responsible for selling units of the Fund.
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 http://www.ftse.com/About_Us/index.jsp)
Fund	- Refers to any unit trust funds that may be offered by CIMB-Principal.
GST	- Refers to the tax levied on goods and services pursuant to the Goods and Services Tax Act 2014.
IUTAs	- Institutional Unit Trust Advisers.
Long-term	- Refers to a period of five (5) years or more.
Management Fee	- A percentage of the NAV of the Fund that is paid to the Manager for managing the portfolio of the Fund.
Net Asset Value or NAV	- The NAV of the Fund is the value of all Fund's assets less the value of all the Fund's liabilities, at the point of valuation. For the purpose of computing the annual Management Fee (if any) and annual Trustee Fee (if any), the NAV of the Fund should be inclusive of the Management Fee and Trustee Fee for the relevant day.
NAV per unit	- The Net Asset Value of the Fund divided by the number of units in circulation, at the valuation point.
Product Highlights Sheet	- Refers to the disclosure document issued by the Manager that contains clear and concise information of the salient features of the Fund.
RM and Sen	- Ringgit Malaysia and Sen respectively.
SC	- Securities Commission Malaysia.
SC Guidelines	- SC Guidelines on Unit Trust Funds as may be amended and/or updated from time to time.
Switching Fee	- A charge that may be levied when switching is done from one Fund to another.
Transfer Fee	- A nominal fee levied for each transfer of units from one Unit holder to another.
Trustee Fee	- A fee that is paid to the Trustee for its services rendered as trustee for the Fund.
UK	- United Kingdom.
Unit holder	- The registered holder for the time being of a unit of the Fund including persons jointly so registered.
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 Product Highlights Sheet will be taken to mean calendar days unless otherwise stated.

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