

Date of issuance: 28 August 2024

Product Highlights Sheet

Principal Institutional Bond Fund 8

Responsibility Statement

This PHS has been reviewed by the authorised committee approved by the directors of Principal Malaysia. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements or omissions of other facts which would make any statement in this PHS false or misleading.

Statement of Disclaimer

The relevant information and document in relation to the Fund, including a copy of this PHS has been lodged with the Securities Commission Malaysia under the Lodge and Launch Framework.

The lodgement of the relevant information and document in relation to the Fund, including this PHS, should not be taken to indicate that the Securities Commission Malaysia recommends the Fund or assumes responsibility for the correctness of any statement made or opinion or report expressed in this PHS.

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

The Manager

Principal Malaysia was incorporated on 13 June 1994 and is a joint venture between Principal Financial Group, Inc. and CIMB Group Sdn. Bhd. Principal Malaysia has experience operating unit trust funds since 1994.

This PHS only highlights the key features and risks of this unlisted capital market product. You are advised to read this PHS together with the Information Memorandum for the Fund dated 28 August 2024 and its supplementary (if any). You are advised to request, read and understand the Information Memorandum before deciding to invest.

Brief Information on Principal Institutional Bond Fund 8

The Fund is a wholesale fund issued by Principal Malaysia. The Fund aims to provide regular income by investing in fixed income securities. The Fund is established with a multi-class structure and is allowed to establish new Class(es) from time to time without your prior consent.

This is neither a capital protected fund nor a capital guaranteed fund.

Product Suitability

The Fund best suits you if you:

- are a Sophisticated Investor;
- seek opportunity to invest in Malaysia fixed income securities;
- seek regular income; and/or
- have a short to medium investment horizon.

Key Product Features

Fund category/Type	Wholesale fund (Bond)/ Income	
Base currency	MYR	
Benchmark	10% FTSE BPAM Government 1Y-3Y All Bond Index + 30% FTSE BPAM Government 3Y-7Y All Bond Index + 40% FTSE BPAM Corporates 1Y-3Y All Bond Index + 20% FTSE BPAM Corporates 3Y-7Y All Bond Index Note: The Fund's benchmark is for performance comparison purpose only. The benchmark is customised as such to align it closer to the structure of the investment portfolio. Information on the benchmark can be obtained from www.bpam.com.my .	
Investment strategy	<p>The Fund will be managed with the aim of achieving regular income through a diversified portfolio of MYR-denominated fixed income securities. The Fund will invest up to 100% of its NAV in government or government-guaranteed bonds and up to 80% of its NAV in corporate bonds (including commercial papers) which carry a minimum credit rating of "A3" or "P1" by RAM or equivalent rating by MARC or equivalent by any reputable credit rating agency. The Fund may also invest up to 10% in Securitised Securities.</p> <p>The asset allocation strategy for the Fund is as follows:</p> <ul style="list-style-type: none"> ▪ Up to 100% in fixed income securities, out of which: <ul style="list-style-type: none"> - Up to 100% of the Fund's NAV in government and/or government-guaranteed bonds; - Up to 80% of the Fund's NAV in corporate bonds; - Up to 50% of the Fund's NAV in liquid assets such as cash and cash equivalents; and/or - Up to 10% of the Fund's NAV may be invested in Securitised Securities. 	
Launch date	Class MYR	28 August 2024
Distribution policy	<p>Class MYR: Depending on the level of income (if any) that this Class generates, this Class aims to distribute part or all of its distributable income on a quarterly basis.</p> <p>Note: The Fund may distribute from realised income, realised capital gains, unrealised income, unrealised capital gains, capital or a combination of any of the above. We reserve the right to vary the frequency and/or amount of distributions.</p>	
Financial year-end	31 December	
Manager	Principal Asset Management Berhad	
Trustee	HSBC (Malaysia) Trustee Berhad	
Solicitors	Soon Gan Dion & Partners	

Key Risks

General risks of investing in a fund	
Returns and capital not guaranteed	The investment of the fund is subject to market fluctuations and its inherent risk. There is NO GUARANTEE on the investment which includes your investment capital and returns, nor any assurance that the fund's objective will be achieved. You should also note that the fund is neither a capital guaranteed fund nor a capital protected fund. However, we reduce this risk by ensuring diligent management of the assets of the fund based on a structured investment process.

Market risk	This risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the fund's NAV.
Inflation risk	This is the risk that your investment in the fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce your purchasing power even though the value of the investment in monetary terms has increased.
Manager risk	This risk refers to the day-to-day management of the fund by the manager which will impact the performance of the fund. For example, investment decisions undertaken by the manager, as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the deed, relevant laws or guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the fund.
Financing risk	This risk occurs when you obtain financing to finance your investment. The inherent risk of investing with money obtained from financing includes you being unable to service the financing payments. In the event units are used as collateral and if the prices of units fall below a certain level due to market conditions, you may be required to pay additional amount on top of your existing instalment. If you fail to do so within the time prescribed, your units may be sold at an unfavourable price and the proceeds thereof will be used towards the settlement of your financing.
Liquidity risk	Liquidity risk refers to the ease of liquidating an asset without causing market dislocation. This depends on the supply and demand as well as the asset's volume or amount traded in the market. If the fund holds assets that are illiquid or difficult to dispose of, the value of the fund and consequently the value of unitholders' investment in the fund may be negatively affected when the fund has to sell such assets at unfavourable prices.

Specific risks related to the Fund

Credit and default risk	The Fund will be exposed to a certain degree of credit and default risk of issuers or counterparties when the Fund invests in debt securities, money market instruments and/or places in Deposits. Credit risk relates to the creditworthiness of an issuer or counterparty and its expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuers or counterparties may impact the value as well as liquidity of the investments. In the case of rated debt securities and money market instruments, this may lead to a credit downgrade. Default risk relates to the risk that an issuer or counterparty either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the investments. 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 the issuers or counterparties, and impose investment limits on exposures to issuers or counterparties with different credit profiles as a precautionary step to limit any loss that may arise directly or indirectly as a result of a defaulted exposure.
Interest rate risk	Interest rate risk refers to the impact of interest rate changes on the valuation of debt securities and money market instruments. When interest rates rise, debt securities and money market instruments prices generally decline and this may lower the market value of the Fund's investment in debt securities and money market instruments. In managing the debt securities, we take into account the coupon rate and time to maturity of the debt securities with an aim to mitigate the interest rate risk. As for money market instruments, the typical tenor of these instruments are less than 12-month maturity and unlike debt securities, any change to interest rate will only have a minor impact to the prices of these instruments.

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.

Note: If your investments are made through an IUTA via a nominee system of ownership, you would not be deemed as a Unit holder under the Deed and as a result, 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).

Fees & Charges

	Class MYR
Application Fee	Nil
Withdrawal Penalty	Up to 1.00% of the NAV per unit. Withdrawal Penalty is chargeable if a withdrawal is made within three (3) months from the Commencement Date. Thereafter, no Withdrawal Penalty will be charged. All Withdrawal Penalty will be retained by the Fund.
Switching Fee	Not applicable as no switching facility is available for the Fund.
Transfer Fee	Not applicable as no transfer facility is available for the Fund.
Management Fee	Up to 0.15% per annum of the NAV of the Class.

Trustee Fee	Up to 0.03% per annum of the NAV of the Fund.
Other charges payable directly by you when purchasing or withdrawing the units	Any applicable bank charges and other bank fees incurred as a result of an investment or withdrawal will be borne by you.
Expenses directly related to the Fund	Only expenses that are directly related to the Fund or Class can be charged to the Fund or Class. Examples of relevant expenses are audit fee and tax agent's fee.

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

Transaction Information

	Class MYR
Minimum initial investment	MYR 1 million or such other amount as we may decide from time to time.
Minimum additional investment	MYR 100,000 or such other amount as we may decide from time to time.
Minimum withdrawal	100,000 units or such other amount as we may decide from time to time.
Minimum balance	100,000 units or such other amount as we may decide from time to time.
Regular Savings Plan ("RSP")	Not applicable.
Switching	No switching facility is available for the Fund.
Transfer	No transfer facility is available for the Fund.
Cooling-off period	Individual Sophisticated Investors have six (6) Business Days after your initial investment (i.e. the date the complete application is received and accepted by us or our Distributors) to reconsider its appropriateness and suitability for your investment needs. Within this period, you may withdraw your investment at the same NAV per unit when the units were purchased or prevailing NAV per unit at the point of cooling-off (whichever is lower) ("Refund Amount"). We will pay the Refund Amount including the Application Fee (if any) to you in the currency of the respective Class within seven (7) Business Days from the date we receive the complete documentations. Please note that the cooling-off right is only given to first time investor investing with us or our Distributors. However, corporations/institutions and Principal Malaysia's staff and person(s) registered with a body approved by the SC to deal in unit trust funds are not entitled to the cooling-off right.

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

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

YOU SHOULD NOT MAKE ANY PAYMENT DIRECTLY OR INDIRECTLY TO ANY INDIVIDUAL AGENT/EMPLOYEE OF THE MANAGER OR ISSUE A CHEQUE IN THE NAME OF AN INDIVIDUAL AGENT/EMPLOYEE OF THE MANAGER WHEN PURCHASING THIS FUND.

Valuations

We will carry out the valuation for the Class for a Business Day at the end of that Business Day (T day). The NAV per unit for a Business Day is available on our website at www.principal.com.my after 10.00 a.m. on the following Business Day (T+1). Please refer to the "Unit Pricing" section of the Information Memorandum for more information.

Avenues to Exit This Investment

To exit from this investment, you may withdraw from the Fund. Please note that there is no switching and transfer facility for this Fund.

You may withdraw units in the Fund by completing a withdrawal application and submit it to the relevant Distributor or Principal Malaysia's office. 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. The amount that you will receive is calculated by the withdrawal value less the Withdrawal Penalty (if any). You will be paid in the currency of the Class (e.g. Class MYR Unit Holders will be paid in MYR) within seven (7) Business Days upon our receipt of the complete withdrawal request. You will have to bear the applicable bank fees and charges, if any.

For more information on withdrawal and cooling-off period, please refer to the "Transaction Information" chapter of the Information Memorandum. For more information on the fees and charges incur when you exit from this investment, please refer to "Fees, Charges and Expenses" chapter of the Information Memorandum.

Contact for Further Information/Complaint

(i) You may contact our Customer Care Centre at (03) 7723 7260 or whatsapp at +6016 299 9792 for further information or for any dispute resolution. Our Customer Care Centre is available during business hour between 8:45 a.m. and 5:45 p.m. (Malaysian time) from Mondays to Fridays or you can e-mail us at myservice@principal.com.

(ii) If you are dissatisfied with the outcome of the dispute resolution process with us, please refer your dispute to 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
- 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

(iii) You can also direct your complaint to the SC even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Consumer & Investor Office:

- via phone to the 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 : Consumer & Investor Office
Securities Commission Malaysia
No 3 Persiaran Bukit Kiara, Bukit Kiara, 50490 Kuala Lumpur

(iv) Federation of Investment Managers Malaysia's Complaints Bureau:

- via phone to : 03-7890 4242
- via e-mail to : complaints@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.
BPAM	- Bond Pricing Agency Malaysia.
Business Day	- Mondays to Fridays when Bursa Malaysia Securities Berhad is open for trading, and/or banks in Kuala Lumpur and/or Selangor are open for business.
Commencement Date	- The next Business Day immediately following the end of the initial offer period of the Fund.
Deed	- The principal and all supplemental deed in respect of the Fund made between us and the Trustee, in which Unit holders agree to be bound by the provisions of the Deed.
Deposits	- As per the definition of "deposit" in the Financial Services Act 2013 and "Islamic deposit" in the Islamic Financial Services Act 2013.
Distributors	- Any relevant persons and bodies appointed by Principal Malaysia from time to time, who are responsible for selling units of the Fund, including Principal Distributors and IUTA.
Fund or IBF8	- Principal Institutional Bond Fund 8.

GLOLA	- SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.
Information Memorandum	- Refers to the information memorandum in respect of the Fund and includes any supplemental information memorandum or replacement information memorandum, as the case may be.
IUTA	- Refers to “Institutional Unit Trust Schemes Adviser”, a corporation registered with Federation of Investment Managers Malaysia and authorised to market and distribute unit trust schemes of another party.
Management Fee	- A percentage of the NAV of the Class that is paid to us for managing the portfolio of the Fund.
MARC	- Malaysian Rating Corporation Berhad.
MYR	- Malaysian Ringgit.
NAV	- Net Asset Value.
NAV of the Class	- The NAV of the Fund attributable to a Class at the same valuation point.
NAV of the Fund	- The NAV of the Fund is the value of all the Fund’s assets less the value of all the Fund’s liabilities, at the point of valuation. For the purpose of computing the annual Management Fee and annual Trustee Fee, the NAV of the Fund should be inclusive of the Management Fee and Trustee Fee for the relevant day.
NAV per unit	- The NAV attributable to a Class divided by the number of units in circulation for that Class, at the valuation point.
Principal Distributors	- Refers to the authorized unit trust scheme consultants registered with Principal Malaysia.
Principal Malaysia, the Manager, we or us	- Principal Asset Management Berhad.
PHS	- Refers to Product Highlights Sheet, this document issued by us that contains clear and concise information of the salient features of the Fund.
RAM	- RAM Rating Services Berhad.
SC	- Securities Commission Malaysia.
Securitized Securities	- Refers to bonds that are structured as asset-backed securities.
Sophisticated Investor	- Refers to investors as we determine as qualified or eligible to invest in the Fund and that fulfil any laws, rules, regulations, restrictions or requirements imposed by the respective country’s regulators where the Fund is open for sale. For investors in Malaysia, this refers to any person who: <ul style="list-style-type: none"> (i) is determined to be a sophisticated investor under the SC’s Guidelines on Categories of Sophisticated Investors, as amended from time to time; or (ii) acquires any capital market products specified under GLOLA where the consideration is not less than MYR250,000 or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise. and/or any other category(ies) of investors as may be permitted by the SC from time to time. Note: For more information, please refer to our website at www.principal.com.my for the current and/or updated the definition and categories of “Sophisticated Investor”.
Switching Fee	- A charge that may be levied when switching is done from one fund or class to another.
Transfer Fee	- A nominal fee levied for each transfer of units from one Unit holder to another.
Trustee	- HSBC (Malaysia) Trustee Berhad.
Trustee Fee	- A percentage of the NAV of the Fund that is paid to the Trustee for its services rendered as trustee for the Fund.
Unit holder	- The registered holder for the time being of the Fund including persons jointly registered.
Wholesale fund	- A unit trust scheme established in Malaysia where the units are to be issued, offered for subscription or purchase, or for which invitations to subscribe for or purchase the units are to be made, exclusively to Sophisticated Investor.
Withdrawal Penalty	- A penalty levied upon withdrawal under certain terms and conditions (if applicable).

- Notes:** Unless the context otherwise requires,
- words importing the singular number should include the plural number and vice versa;
 - reference to any rules, regulations, guidelines, standards, directives, notices, legislations or statutes in this PHS shall be reference to those rules, regulations, guidelines, standards, directives, notices, legislations or statutes for the time being in force, as may be amended, varied, modified, updated, superseded and/or re-enacted, from time to time;
 - time, day or date disclosed in this PHS shall be a reference to that time, day or date in Malaysia; and
 - reference to “days” in this PHS will be taken to mean calendar days.

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