Principal®

Prospectus
1 September 2026

Principal Next-G Connectivity Fund

Manager	:	**Principal Asset Management Berhad** (199401018399 (304078-K))
Trustee	:	**HSBC (Malaysia) Trustee Berhad** (193701000084 (1281-T))

THIS PROSPECTUS IS ISSUED TO REPLACE AND/OR SUPERSEDE THE INFORMATION MEMORANDUM OF THE PRINCIPAL NEXT-G CONNECTIVITY FUND DATED 16 JANUARY 2021, THE FIRST SUPPLEMENTAL INFORMATION MEMORANDUM DATED 26 FEBRUARY 2024 AND THE SECOND SUPPLEMENTAL INFORMATION MEMORANDUM DATED 15 AUGUST 2024.

This Prospectus Issue No. 1 for the Principal Next-G Connectivity Fund is dated 1 September 2026.

This Fund was constituted on 28 December 2020.

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

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 3.

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

In alliance with CIMB

ABOUT THIS DOCUMENT

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

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

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notices, legislations or statutes for the time being in force, as may be amended, varied, modified, updated, superseded and/or re-enacted from time to time.

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

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

PROSPECTUS DETAILS

Issue No.	**1**
Prospectus Date	**1 September 2026**

RESPONSIBILITY STATEMENTS

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

STATEMENTS OF DISCLAIMER

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

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

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

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

ADDITIONAL STATEMENTS

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

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

DEFINITIONS

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

Application Fee	-	Preliminary charge on each investment.
AUD	-	Australian Dollar.
Bloomberg	-	Bloomberg LP.
Business Day	-	Mondays to Fridays when Bursa Malaysia Securities Berhad is open for trading, and banks in Kuala Lumpur and/or Selangor are open for business. In respect of the Target Fund, it means a day on which the stock exchange in Ireland is open for business. ***Note:*** *We may declare certain Business Days to be a non-Business Day if the jurisdiction of the Target Fund declares a non-business day and/or if the Target Fund's manager declares a non-dealing day. This information will be communicated to you via Principal Malaysia's website at* ***www.principal.com.my****.*
CIMB Group	-	CIMB Group Sdn. Bhd.
CIS	-	Collective investment schemes.
Class	-	Any class of units representing similar interest in the assets of the Fund.
Class AUD-Hedged	-	The Class of units issued by the Fund denominated in AUD that aims to minimize the effect of exchange rate fluctuations between the base currency of the Fund (i.e. USD) and AUD.
Class GBP-Hedged	-	The Class of units issued by the Fund denominated in GBP that aims to minimize the effect of exchange rate fluctuations between the base currency of the Fund (i.e. USD) and GBP.
Class MYR-Hedged	-	The Class of units issued by the Fund denominated in MYR that aims to minimize the effect of exchange rate fluctuations between the base currency of the Fund (i.e. USD) and MYR.
Class SGD-Hedged	-	The Class of units issued by the Fund denominated in SGD that aims to minimize the effect of exchange rate fluctuations between the base currency of the Fund (i.e. USD) and SGD.
Class USD	-	The Class of units issued by the Fund denominated in USD.
CMSA	-	Capital Markets and Services Act 2007.
Deed	-	The principal deed 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.
Deposit		As per the definition of "deposit" in the Financial Services Act 2013.
Distributor	-	Any relevant persons and bodies appointed by Principal Malaysia from time to time, who are responsible for selling units of the Fund, including Principal Distributors and IUTA.
Eligible Market	-	An exchange, government securities market or an over-the-counter market that is regulated by a regulatory authority of that jurisdiction, that is open to the public or to a substantial number of market participants, and on which financial instruments are regularly traded.
Emerging Market Country or Emerging Market Countries	-	any country or countries other than one which the World Bank defines as a High Income OECD Member Country, being, at the date of this Prospectus: Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, Luxembourg, Mexico, The Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom and the United States of America.
EU Member State	-	A member state of the European Union.
FDI	-	Financial derivative instruments.
Fund or NGC	-	Principal Next-G Connectivity Fund.
GBP	-	Great Britain Pound.
GUTF	-	Guidelines on Unit Trust Funds issued by the SC.
HSBC Group	-	HSBC Holdings plc, its subsidiaries, related bodies corporate, associated entities and undertakings and any of their branches.
IMS	-	Investment Management Standards issued by the Federation of Investment Managers Malaysia.
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.
LPD	-	Latest Practicable Date i.e. 12 May 2026, in which all information provided herein, shall remain current and relevant as at such date.

Management Fee	-	A percentage of the NAV of the Class that is paid to us for managing the portfolio of the Fund.
MCR	-	Multi-class ratio, being the apportionment of the NAV of each Class over the Fund's NAV based on the size of each Class. The MCR is calculated by dividing the NAV of the respective Class by the NAV of the Fund before income and expenses for the day. The apportionment is expressed as a ratio and calculated as a percentage.
MYR	-	Malaysian Ringgit.
NAV	-	Net Asset Value.
NAV of the Class	-	The NAV of the Fund attributable to a Class at the same valuation point.
NAV of the Fund	-	The value of all the Fund's assets less the value of all the Fund's liabilities, at the point of valuation. For the purpose of computing the 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 NAV attributable to a Class divided by the number of units in circulation for that Class, at the valuation point.
Neuberger	-	Neuberger Group LLC and its subsidiaries as such context requires.
OECD	-	Organisation for Economic Co-operation and Development.
OTC	-	Over-the-counter.
PFG	-	Principal Financial Group, Inc.
Principal Distributors	-	Refers to the authorised unit trust scheme consultants registered with Principal Malaysia.
Principal Malaysia or the Manager	-	Principal Asset Management Berhad.
Prospectus	-	Refers to the document issued by us describing the details of the Fund and includes any supplemental prospectus or replacement prospectus, as the case may be.
RMB	-	Chinese Yuan Renminbi
RSP	-	Regular Savings Plan.
SC	-	Securities Commission Malaysia.
SGD	-	Singapore Dollar.
Shanghai Stock Connect	-	Shanghai-Hong Kong Stock Connect program.
Shenzhen Stock Connect	-	Shenzhen-Hong Kong Stock Connect program.
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.
Stock Connect	-	Either or both of the Shanghai Stock Connect and the Shenzhen Stock Connect.
Target Fund	-	The collective investment scheme that the Fund invests predominantly in. Currently, it refers to Neuberger Next Generation Connectivity Fund.
Target Fund Company or NIF	-	Neuberger Investment Funds plc.
Target Fund Investment Manager	-	Neuberger Asset Management Ireland Limited.
Target Fund Sub-Investment Managers	-	Neuberger Europe Limited, Neuberger Investment Advisers LLC and Neuberger Asia Limited or such other company as may be appointed by the Target Fund Investment Manager from time to time, with the prior approval of the Target Fund Company and the Central Bank of Ireland, as a sub-investment manager as specified in the Target Fund Prospectus.
Target Fund Prospectus	-	Refers to the prospectus in respect of the Target Fund and includes any supplemental prospectus, addendum or replacement prospectus, as the case may be. The Target Fund Prospectus is available for download at www.nb.com.
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.
UCITS Regulations	-	the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. 352 of 2011) (as amended) and all applicable Central Bank Regulations or notices made or conditions imposed or derogations granted thereunder by the Central Bank;
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.
Withdrawal Penalty	-	A penalty levied upon withdrawal under certain terms and conditions (if applicable).

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

CORPORATE DIRECTORY

The Manager
Principal Asset Management Berhad

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

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

Website
www.principal.com.my

E-mail
myservice@principal.com

The Trustee
HSBC (Malaysia) Trustee Berhad

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

Website
www.hsbc.com.my

Email
fs.client.services.myh@hsbc.com.my

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

TABLE OF CONTENTS

1. FUND INFORMATION

1.1. PRINCIPAL NEXT-G CONNECTIVITY FUND

Fund Category/Type	:	Feeder fund / Growth
Fund Objective	:	The Fund aims to achieve capital appreciation through investments in one (1) collective investment scheme, which invests in mobile internet and connectivity related securities. We will require your approval if there is any material change to the Fund's investment objective.
Benchmark	:	The Fund adheres to the benchmark of the Target Fund for performance comparison. Currently, the benchmark of the Target Fund is MSCI All-Country World Index (ACWI) (Total Return, net of tax, USD). *Note: Any changes to the Target Fund's benchmark will be updated in our website and/or the Fund's Product Highlights Sheet.*
Distribution Policy	:	The distribution policy of each of the Class may differ. Please refer to the Annexure of the respective Class for more information. You may also refer to page 55 for information on the distribution payment.

Base Currency & Classes

The base currency of the Fund is USD.

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

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

Currently, the Classes below are available for sale. Please refer to the Annexure for further details on the Classes. You should note that we have the discretion to decide on the offering of other Classes for sale in the future and a supplemental or replacement prospectus will be issued. This information will be communicated to you via our website at **www.principal.com.my**. When in doubt, you should consult professional advisers for better understanding of the multi-class structure before investing in the Fund.

Name of Class	Launch date
Class AUD-Hedged	16 January 2021
Class GBP-Hedged	16 January 2021
Class MYR-Hedged	16 January 2021
Class SGD-Hedged	16 January 2021
Class USD	16 January 2021

Prices of existing classes will be offered at the prevailing NAV per unit of the respective class which is available on our website at www.principal.com.my. For more details, you may contact our Customer Care Centre under the "Corporate Directory" section or Distributors; or visit our website at www.principal.com.my.

Investment Policy and Strategy

The Fund is a feeder fund and it invests in a single CIS, i.e. Neuberger Next Generation Connectivity Fund ("Target Fund"). The Fund may also invest in liquid assets for liquidity purposes.

In order to achieve its investment objective, the Fund will invest at least 95% of its NAV in the Target Fund and may also invest up to 5% of its NAV in liquid assets for liquidity purposes. The Target Fund was established on 8 April 2020 under the Neuberger Investment Funds Plc; an investment company with variable capital and segregated liability between sub-funds incorporated in Ireland.

We may utilize Islamic derivative instruments for hedging purposes and in the event of a rating downgrade of a counterparty of an OTC derivative below the rating prescribed in the GUTF, we reserve the right to deal with the OTC derivative in the best interest of the Unit holders. The Fund will be actively rebalanced from time to time to meet sales and withdrawals transactions. This is to enable proper and efficient management of the Fund. As this is a feeder fund that invests predominantly in the Target Fund, we do not intend to take temporary defensive position for the Fund during adverse market, economic and/or any other conditions. This is to allow the Fund to mirror the performance of the Target Fund in either bullish or bearish market conditions. However, the Target Fund Investment Manager may take temporary defensive position when deemed necessary.

We do not employ risk management strategy on the portfolio of the Target Fund. However, the Target Fund Investment Manager will employ a risk management process in respect of the Target Fund that enables the Target Fund Investment Manager to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the Target Fund.

We will employ risk management strategy at the Fund level, where we will continuously monitor the investment objective, performance and suitability of the Target Fund to ensure that it is in line with the investment objective of the Fund. If we are of the opinion that the Target Fund no longer meets the Fund's investment objective, we may, with your approval, replace the Target Fund with another CIS that is in line with the Fund's objective. In such circumstances, we will withdraw our investment in the Target Fund and invest in another CIS on a staggered basis for a smooth transition, if the Target Fund imposes any conditions in relation to withdrawal of units or if the manager of the newly identified target fund exercises its discretion to apply anti-dilution levy* in relation to the 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 a dilution adjustment that may be made by the newly identified target fund. Hence during the transition period, the Fund's investments may differ from the stipulated investment objective, investment strategies and/or investment restrictions and limits. The Fund also may, with the concurrence of the Trustee, hold more than 5% of liquid assets on a temporary basis to meet withdrawal requests and to manage expenses of the Fund.

Currently, the Fund invests in Class I3 of the Target Fund, which is a share class denominated in USD that is launched on 6 November 2020. The Fund may change its entire investment into another class of the Target Fund (which must be denominated in the same currency) if we are of the opinion that the change is in the interest of the Unit holders. If we wish to effect such change, we will seek concurrence from the Trustee and you will be notified before implementation.

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

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

- Regular review by the designated fund manager on the Fund's investment portfolio to maintain healthy liquidity level.
- Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stressed market conditions) and on the concentration of Unit holders. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet Unit holders' withdrawal requests.
- If needed, the Fund may obtain cash financing for the purpose of meeting withdrawal requests and for short-term bridging requirements.
- Suspension of withdrawal requests due to exceptional circumstances. During the suspension period, withdrawal requests will not be accepted, and in the event we had earlier accepted the withdrawal requests prior to the suspension being declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. The action to suspend withdrawal requests from Unit holders shall be exercised only as a last resort by the Manager.
  Note: Please refer to Section 2.4, 2.5, 2.6 and 2.7 below for circumstances affecting redemption of units from the Target Fund.

Note:
** Anti-dilution levy is an allowance for fiscal and other charges that is added to the NAV per unit to reflect the costs of investing application monies in underlying assets of the Target Fund or newly identified target fund.*

1.2. PERMITTED INVESTMENTS

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

- One CIS (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; and
- Derivative instruments, including but not limited to options, futures contracts, forward contracts and swaps for hedging purposes.

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

1.3. INVESTMENT RESTRICTIONS AND LIMITS

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

CIS: The Fund must invest at least 95% of its NAV in one (1) CIS provided that the CIS complies within the categories stipulated in the GUTF.

Liquid Assets and Derivatives: The Fund may invest up to 5% of the NAV in the following permitted investments:

- <u>Deposits</u>
  Placement in short-term Deposits.

- <u>Money market instruments</u>
  Money market instruments that are dealt in or under the rules of an Eligible Market, and whose residual maturity does not exceed 12 months. 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.

- <u>Derivatives (for hedging purposes)</u>
  The Fund's exposure from derivatives positions for hedging purposes should not exceed the Fund's NAV. Further, the maximum exposure of the Fund to the counterparty, calculated based on the method prescribed in the GUTF, must not exceed 10% of the Fund's NAV. For the exposure to the underlying assets of the derivative must not exceed the investment restrictions or limitations applicable to such underlying assets and investments stipulated in the GUTF.

In respect of any breach of restrictions and limits as a result of an appreciation or depreciation in value of the Fund's investments; withdrawal of units or payment made out of the Fund; change in capital of a corporation in which the Fund has invested in; or downgrade in or cessation of a credit rating, we must rectify such breach as soon as practicable, in any event within three (3) months from the date of the breach. The three-month period may be extended if it is in the best interest of Unit holders with the Trustee's consent and the extension must be subject to at least a monthly review by the Trustee.

1.4. APPROVALS AND CONDITIONS

On 31 July 2026, we have obtained the approval from the SC for a variation to Paragraph 9.08 of the GUTF which allow us to pay a Unit holder within five (5) Business Days from the receipt of proceeds from the Target Fund where such Unit Holder has exercised a cooling-off right pursuant to section 4.8.

1.5. FINANCING

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

1.6. SECURITIES LENDING AND REPURCHASE TRANSACTIONS

Not applicable for the Fund.

1.7. RISK FACTORS

1.7.1. GENERAL RISKS OF INVESTING IN A FUND

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 Prospectus.

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

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

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

Manager risk
This risk refers to the day-to-day management of the fund by the Target Fund Investment Manager which will impact the performance of the fund. For example, investment decisions undertaken by the Target Fund Investment Manager, as a result of any non-compliance with internal policies, investment mandate, the deed, relevant laws or guidelines due to factors such as human error or weaknesses in operational processes and systems, may adversely affect the performance of the fund.

Financing risk
This risk occurs when you obtain financing to finance your investment. The inherent risk of investing with money obtained from financing includes you being unable to service the financing payments. In the event units are used as collateral and if the prices of units fall below a certain level due to market conditions, you may be required to pay additional amount on top of your existing instalment. If you fail to do so within the time prescribed, your units may be sold at an unfavorable price and the proceeds thereof will be used towards the settlement of your financing.

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

Liquidity risk
Liquidity risk refers to the ability to sell and convert the units held in the CIS into cash. This may be affected by the liquidity policy applied by the CIS (e.g. suspension of the CIS), which may negatively impact the fund and unit holders may experience delay in the withdrawal process.

1.7.2. SPECIFIC RISKS RELATED TO THE FUND

Currency risk
There are 2 levels of currency risk associated with the investment of this Fund:

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

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

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

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

Target Fund manager's risk
Since the Fund invests into a CIS that is managed by another manager, the Target Fund Investment 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, the NAV of the Fund, which invests into the Target Fund, may be affected negatively. Although the probability of such occurrence is minute, should the situation arise, subject to your approval, we reserve the right to seek for an alternative CIS that is consistent with the objective of the Fund.

Country risk
As the Fund invests in the Target Fund, which is domiciled in Ireland, the Fund's investments in the Target Fund may be affected by risks specific to the country. Such risks include adverse changes in the country's laws and regulations and foreign investments policies. These factors may have an adverse impact on the price of the Target Fund and consequently the Fund.

1.7.3. SPECIFIC RISKS RELATED TO THE TARGET FUND

The following section was excerpted from the information stated in the Target Fund Prospectus. As the Fund invests predominantly in the Target Fund, the Fund also assumes the risks associated with the Target Fund, which include but not limited to the following:

RISKS RELATED TO FUND STRUCTURE

Umbrella structure of the Target Fund Company
Pursuant to Irish law the Target Fund Company will not be liable as a whole to third-parties and there will be no potential for cross contamination of liabilities between different portfolios. However, there can be no categorical assurance that, should an action be brought against the Target Fund Company in the courts of another jurisdiction, the segregated nature of the portfolios will necessarily be upheld. Accordingly, it is not free from doubt that the assets of the Target Fund may not be exposed to the liabilities of other portfolios. As at the date of the Target Fund Prospectus dated 1 July 2025 the directors of the Target Fund Company are not aware of any existing or contingent liability of any portfolio of the Target Fund Company.

Share class risk
There is no legal segregation of liability between classes in a given portfolio. As such, there are certain limited circumstances including, for example, in situations when one or more hedged classes suffers material losses, in which the liabilities of a particular class will affect the NAV of other classes.

Depository risk
The assets of the Target Fund Company and its portfolios shall be held in custody by the Depositary and its sub-custodian(s) and/or any other custodians, prime broker and/or broker-dealers appointed by the Target Fund Company and/or the Target Fund Manager. Investors are hereby informed that cash and fiduciary deposits may not be treated as segregated assets and might therefore not be segregated from the relevant depositary, sub-custodian(s), other custodian/third-party bank, prime broker and/or broker dealer's own assets in the event of the insolvency or the opening of bankruptcy, moratorium, liquidation or reorganization proceedings of the depositary, sub-custodian(s), other custodian/third-party bank, prime broker or the broker dealer as the case may be. Subject to specific depositor's preferential rights in bankruptcy proceedings set forth by regulation in the jurisdiction of the relevant depositary, sub-custodian(s), other custodian/third-party bank, prime broker or the broker dealer, The Target Fund's claim might not be privileged and may only rank pari passu with all other unsecured creditors' claims. The Target Fund might not be able to recover all of their assets in full.

Custodial risk
As the Target Fund Company may invest in markets where custodial and/or settlement systems are not fully developed, including in Emerging Market Countries, the assets of the Target Fund Company which are traded in such markets which have been entrusted to sub-custodians in circumstances where the use of such sub-custodian is necessary, may be exposed to risk in certain limited circumstances (such as, in the case of a loss of assets where such loss is the result of an external event beyond its reasonable control) where the Depositary will have no liability. Currently, with the exception of securities depositaries such as Clearstream, Euroclear or Depository Trust Company (DTC) where the Depositary serves as a direct participant, all assets of the Target Fund are custodied within the Depositary's global network of sub-custodians whereby the appointment of an agent or sub-custodian in such a market shall not relieve the Depositary from its liability as principal for the acts or omissions of the agent.

A clearing broker with which margin assets are deposited in respect of futures and options or other hedging contracts shall not be a sub-custodian or agent of the Depositary for such purpose and the Depositary shall not be liable for the acts or omissions or any loss directly or indirectly caused by any margin assets transferred to or placed with such clearing brokers, provided the Depositary has acted in accordance with proper instructions as provided for in the Depositary agreement in relation to such transfers. For this purpose, the phrase "margin assets" shall include cash or other assets of the Target Fund transferred to such clearing brokers by means of title transfer, for payment of margin due at the time of transfer or for amounts which may be placed with such clearing brokers and utilised for the Portfolio's trading in such futures and options. As these assets are passed to the broker by means of title transfer, once passed by the Target Fund Company, they are no longer considered to be assets of the portfolio and the portfolio's assets in this respect will instead be the futures and options contracts that the margin assets support and the contractual right to the return of the margin assets by the broker on the termination of the relationship between the broker and the Target Fund Company.

Reliance on the Target Fund Investment Manager
The Target Fund Company will rely on the Target Fund Investment Manager in implementing its investment strategies. The bankruptcy or liquidation of the Target Fund Investment Manager may have an adverse impact on the NAV. Investors must rely on the judgement of the Target Fund Investment Manager in making investment decisions. The Target Fund Investment Manager and its principals and affiliates will however devote a substantial degree of their business time to the Target Fund Company's business.

In addition,
(a) The Target Fund may be prevented from dealing for legal, regulatory or policy reasons;
(b) The Target Fund Investment Manager or its affiliates may have managed or co-managed a public offering of securities in respect of the Target Fund's holding of securities within the last three years from date of the Target Fund Prospectus dated 1 July 2025 or may from time to time perform business for any company whose securities are contained in the Target Fund; and
(c) The Target Fund Investment Manager, its affiliates, shareholders, directors, members, officers and/or employees may have long or short positions in any securities contained in the Portfolios' holdings or options and futures based on these holdings.

Settlement risks
The equity markets in different countries will have different clearance and settlement procedures and in certain markets there have been times when settlements have been unable to keep pace with the volume of transactions, thereby making it difficult to conduct such transactions. Delays in settlement could result in temporary periods when assets of the Target Fund are uninvested and no return is earned thereon. The inability of the Target Fund to make intended purchases due to settlement problems could cause it to miss attractive investment opportunities. Inability to dispose of portfolio securities due to settlement problems could result either in losses to the Target Fund due to subsequent declines in value of the portfolio security or, if it has entered into a contract to sell the security it could result in a possible liability of it to the purchaser.

Indemnification obligations
The Target Fund Company has agreed to indemnify the directors of the Target Fund Company, the Target Fund Investment Manager and the Depositary as provided for in the relevant agreements. The Target Fund Company and the Target Fund Investment Manager have agreed to indemnify the Administrator as provided for in the administration agreement. The Target Fund Investment Manager has agreed to indemnify the Target Fund Sub-Investment Manager as provided for in the relevant agreements.

Portfolio transaction charges
Sales, redemption or transaction charges may be payable in respect of the Target Fund if specified in the "Fees Charged by the Target Fund" section below. In the short-term, these charges will have the effect of reducing the value of an investment. Accordingly, an investor should view its investment in that Portfolio as medium- to long-term.

No investment guarantee equivalent to deposit protection
An investment in the Target Fund Company is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account. The value of shares may go down as well as up and investors may not get back any of the amount invested.

Provisional allotments
As the Target Fund Company may provisionally allot shares to proposed investors prior to receipt of the requisite subscription monies for those shares the Target Fund Company may suffer losses as a result of the non-payment of such subscription monies, including, for example, the administrative costs involved in updating the records of the Target Fund Company to reflect shares allotted provisionally which are not subsequently issued.

The Target Fund Company will attempt to mitigate this risk by obtaining an indemnity from investors, however, there is no guarantee that the Target Fund Company will be able to recover any relevant losses pursuant to such indemnity.

Benchmark outperformance risk
The Target Fund may have an investment objective or policy to outperform a specified benchmark, in the base currency of the Target Fund. Any such outperformance target will be a specific amount expressed in percentage terms relative to the benchmark and, unless otherwise stated in the relevant supplement of the Target Fund Prospectus, will be assessed after the deduction of any performance or sub-advisory fees but before the deduction of management, custody, administration and distribution (if any) fees and other Target Fund expenses. As such, the return of any investment in the Target Fund and consequently, the ability of a shareholder in the Target Fund to realise a return in line with any outperformance targets set for the Target Fund against a stated benchmark, will be directly impacted by the level of such fees payable by the Target Fund.

In addition, certain portfolios may set outperformance targets that are less than the maximum level of management, custody, administration and distribution fees and other Portfolio expenses applicable to certain classes within such portfolios. This may in some circumstances, result in shareholders not receiving a positive return on their investment relative to the benchmark, notwithstanding that the sub-fund has achieved its stated outperformance target. Where the maximum level of management, custody, administration and distribution fees and other portfolio expenses applicable to a class is less than an outperformance target set for the Target Fund, such fees and expenses will reduce the outperformance which the class receives relative to the benchmark. Investors should also note that there is no guarantee that the Target Fund will achieve any stated outperformance target.

Umbrella cash collection accounts
Subscription monies received in respect of the Target Fund in advance of the issue of shares will be held in an umbrella level cash collection account (an "Umbrella Cash Collection Account") in the name of the Target Fund Company. Investors will be unsecured creditors of the Target Fund with respect to the amount subscribed until such shares are issued and will not benefit from any appreciation in the NAV of the Target Fund or any other shareholder rights (including dividend entitlement) until such time as shares are issued. In the event of an insolvency of the Target Fund or the Target Fund Company, there is no guarantee that the Target Fund or Target Fund Company will have sufficient funds to pay unsecured creditors in full.

Payment by the Target Fund of redemption proceeds and dividends is subject to receipt by the Administrator of completed subscription documents and compliance with all anti-money laundering procedures. Notwithstanding this, redeeming shareholders will cease to be shareholders, with regard to the redeemed shares, from the relevant dealing day. Redeeming shareholders and shareholders entitled to distributions will, from the redemption or distribution date, as appropriate, be unsecured creditors of the Target Fund, and will not benefit from any appreciation in the NAV of the Target Fund or any other shareholder rights (including further dividend entitlement), with respect to the redemption or distribution amount. In the event of an insolvency of the Target Fund or the Target Fund Company during this period, there is no guarantee that the Target Fund or the Target Fund Company will have sufficient funds to pay unsecured creditors in full. Redeeming shareholders and shareholders entitled to distributions should therefore ensure that any outstanding documentation and information is provided to the Administrator promptly. Failure to do so is at such shareholder's own risk.

In the event of the insolvency of portfolio, recovery of any amounts to which any other portfolio is entitled but which may have transferred to such insolvent portfolio as a result of the operation of the Umbrella Cash Collection Account, will be subject to the principles of Irish trust law and the terms of the operational procedures for the Umbrella Cash Collection Account. There may be delays in effecting and/or disputes as to the recovery of such amounts and the insolvent portfolio may have insufficient funds to repay amounts due to the relevant portfolio. Accordingly, there is no guarantee that such portfolio or the Target Fund Company will recover such amounts. Furthermore, there is no guarantee that in such circumstances such portfolio or the Target Fund Company would have sufficient funds to repay any unsecured creditors.

OPERATIONAL RISKS

Business and regulatory risks

Legal, tax, and regulatory changes are likely to occur during the term of the Target Fund Company and some of these changes may adversely affect the Target Fund Company, perhaps materially. The financial services industry generally, and the activities of CIS and their managers, in particular, have been subject to intense and increasing regulatory scrutiny. Such scrutiny may increase the Target Fund Company's exposure to potential liabilities and to legal, compliance, and other related costs. Increased regulatory oversight may also impose additional administrative burdens on the Target Fund Investment Manager, including, without limitation, responding to investigations and implementing new policies and procedures. Such burdens may direct the Target Fund Investment Manager's time, attention, and resources from portfolio management activities. In addition, certain regulatory changes, including restrictions imposed, may be imposed by reference to the overall assets managed by the Target Fund Investment Manager rather than solely in respect of the assets of the Target Fund Company. In such circumstances, compliance by the Target Fund Investment Manager with such restrictions may give rise to a conflict of interest.

In addition, securities and futures markets are subject to comprehensive statutes, regulations, and margin requirements. The Central Bank, the FCA, other regulators, self-regulatory organisations, and exchanges are authorised to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial actions.

More generally, it is impossible to predict what, if any, changes in regulation applicable to the Target Fund Company, the Target Fund Investment Manager, the markets in which they trade and invest, or the counterparties with which they do business may be instituted in the future. The effect of any future regulatory change on the Target Fund Company could be substantial and adverse.

Investors should understand that the Target Fund Company's business is dynamic and is expected to change over time. Therefore, the Target Fund Company may be subject to new or additional regulatory constraints in the future. The Target Fund Prospectus cannot address or anticipate every possible current or future regulation that may affect the Target Fund Investment Manager, the Target Fund Company, or their businesses. Such regulations may have a significant impact on the shareholders or the operations of the Target Fund Company, including, without limitation, restricting the types of investments the Target Fund Company may make, preventing the Target Fund Company from exercising its voting rights with regard to certain financial instruments, requiring the Target Fund Company to disclose the identity of its investors, or otherwise. The directors of the Target Fund may cause the Target Fund to be subject to such regulations if they believe that an investment or business activity is in the Target Fund's interests, even if such regulations may have a detrimental effect on one or more shareholders. Prospective shareholders are encouraged to consult their own advisers regarding an investment in the Target Fund Company.

Operational risk

The Target Fund Investment Manager's operational risk management framework is based on the Basel II definition of operational risk which is 'the risk of loss resulting from inadequate or failed internal, processes, people and systems or from external events'. The Target Fund Investment Manager's management of operational risk is therefore aimed at identifying risks in existing processes and improving existing controls to reduce their likelihood of failure and the impact of losses.

The Target Fund Company relies on the Target Fund Investment Manager and its affiliates to ensure there are appropriate systems and procedures to identify, assess and manage operational risk. These systems and procedures may not account for every actual or potential disruption of the Target Fund Company's operations but only for those where an appetite of risk has been set. Given the nature of investment management activities, operational risks are intrinsic to the Target Fund Company's operations, especially given the volume, diversity and complexity of transactions that the Target Fund Company is expected to enter into daily.

The Target Fund Company's control environment is highly dependent on the ability of the Target Fund Investment Manager and its affiliates to process, on a daily basis, transactions across numerous and diverse markets. Consequently, the Target Fund Company relies heavily on the Target Fund Investment Manager's control environment which includes financial, accounting and other data processing systems. The ability of such systems to be scalable and adjust to the complexity of transactions could also constrain the ability of the Target Fund Company to properly manage its portfolio.

Systemic failures in the systems employed by the Target Fund Investment Manager, the Depositary, the Administrator and/or counterparties, exchanges and similar clearance and settlement facilities and other parties could result in errors made in the confirmation or settlement of transactions, or in transactions not being properly booked, evaluated or accounted for. These and other similar disruptions in operations may cause the Target Fund to suffer, among other impacts, financial loss, the disruption of its businesses, liability to third-parties, regulatory intervention or reputational damage. In such cases the Target Fund

Investment Manager's operational risk framework allows for the appropriate investigation and compensation if required by the party at the root cause of the control failure.

Counterparty risk
The Target Fund Company will be exposed to counterparty risk, which is the risk that a counterparty will fail to comply with the terms of an agreement, potentially resulting in losses to the Target Fund Company. Counterparty risk may arise from a dispute over the terms of the contract (whether or not bona fide) or because of a liquidity or solvency problem. If there is a default by the counterparty to a transaction, the Target Fund Company will under most normal circumstances have contractual or regulatory remedies and in some cases collateral pursuant to the agreements related to the transaction. However, exercising such rights may involve delays or costs which could result in the NAV of the Target Fund being less than if the Target Fund had not entered into the transaction. Insolvency or bankruptcy of a counterparty could reduce or eliminate the amount recoverable by exercising legal rights. The insolvency, bankruptcy or default of a counterparty could result in substantial losses to the Target Fund Company. Counterparty risk may be increased where the Target Fund Company has concentrated certain types of transactions with a single or small group of counterparties.

The participants in "over-the-counter" or "interdealer" markets are typically not subject to the regulatory oversight to which members of "exchange-based" markets are subject. The lack of oversight of such markets may expose the Target Fund Company to greater risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Target Fund Company to suffer a loss. Such counterparty risk is accentuated for contracts with longer maturities or forward settlements where events may intervene to prevent settlement.

If one or more of the Target Fund Company's prime brokers, custodians or banks were to become insolvent or the subject of liquidation proceedings, there exists the risk that the recovery of the Target Fund Company's securities and other assets from such counterparty will be delayed or be of a value less than the value of the securities or assets originally entrusted to such counterparty.

In addition, the Target Fund Company may use counterparties which are subject to the laws and regulations of various local jurisdictions, the practical effect of which may subject the Target Fund Company's assets to substantial limitations and uncertainties. Because of the large number of counterparties and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is not possible to generalise about the effect of an insolvency on the Target Fund Company and its assets.

Regardless of any measures implemented to reduce counterparty risk there can be no assurance that a counterparty will not default or that the Target Fund Company will not sustain losses as a result.

Information technology security
The Target Fund Investment Manager and Administrator maintain global information technology systems, consisting of infrastructure, applications and communications networks to support the Target Fund Company's, as well as their own, business activities. These systems could be subject to security breaches such as 'cyber-crime' resulting in theft, a disruption in the ability to close out positions and the disclosure or corruption of sensitive and confidential information. Security breaches may also result in misappropriation of assets and could create significant financial and/or legal exposure for the Target Fund Company. The Target Fund Investment Manager and the Administrator seek to mitigate attacks on their own systems but will not be able to control directly the risks to third-party systems to which it may connect. Any breach in security of the Target Fund Investment Manager's or Administrator's systems could have a material adverse effect on the Target Fund Investment Manager or the Administrator and may cause the Target Fund Company to suffer, among other things, financial loss, the disruption of its business, liability to third-parties, regulatory intervention or reputational damage. The Target Fund Investment Manager has a business continuity process in place in case of an event which impacts system availability.

Limited operating history
Newly formed portfolios have little or no operating history upon which investors can evaluate the anticipated performance. Past investment performance should not be construed as an indication of the future results of an investment in a portfolio. The investment programme of a portfolio should be evaluated on the basis that there can be no assurance that the Target Fund Investment Manager's assessments of the short-term or long-term prospects of investments, will prove accurate or that the Target Fund will achieve its investment objective.

Reliance on Third-Party Service Providers
The Target Fund Company has no employees and the directors of the Target Fund Company have been appointed on a non-executive basis. The Target Fund Company is therefore reliant upon the performance of third-party service providers for their executive functions. In particular the Target Fund Investment Manager and the Administrator will be performing services which are integral to the operation of the Target Fund Company. Failure by any service provider to carry out its obligations to the Target Fund Company in accordance with the terms of its appointment, including in circumstances where the service provider has breached the terms of its contract, could have a materially detrimental impact upon the operations of the Target Fund Company.

The success of the Target Fund Company is largely dependent upon the Target Fund Investment Manager's skills and there can be no assurance that the Target Fund Investment Manager or the individuals employed by the Target Fund Investment Manager will remain willing or able to provide advice to, and trade on behalf of, the Target Fund Company or that its trading will be profitable in the future.

Delays to settlement caused by adverse weather
Investors should note that adverse weather events such as tropical cyclone warning signals (number 8 or higher), black rainstorm warning signals in Hong Kong or other similar events may result in closures of markets and banks and consequent delays to the settlement of cash payments in respect of subscriptions into or redemptions from the Target Fund. In such circumstances, (i) subscription funds may not be available for investment by the Target Fund Investment Manager/the Target Fund Sub-Investment Manager, which may have an adverse effect on the performance of the Target Fund; and (ii) settlements in respect of redemption payments may not be received by redeeming investors within the four (4) Business Day target. In addition, delays to settlement in such circumstances may lead to additional transactional costs and interest charges which may be borne by either the Target Fund or the relevant investor.

<u>**MARKET RISKS**</u>

Market risk
The investments of the Target Fund are subject to normal market fluctuations and the risks inherent in investment in international securities markets and there can be no assurances that appreciation will occur. Stock markets can be volatile and stock prices can change substantially. Debt securities are interest rate sensitive and may be subject to price volatility due to various factors including, but not limited to, changes in interest rates, market perception of the creditworthiness of the issuer and general market liquidity. The magnitude of these price fluctuations will be greater when the maturity of the outstanding securities is longer. Since investment in securities may involve currencies other than the base currency of the Target Fund, the value of the Target Fund's assets may also be affected by changes in currency rates and exchange control regulations, including currency blockage. The performance of the Target Fund will therefore depend in part on the ability of the Target Fund Investment Manager to anticipate and respond to such fluctuations in stock prices, market interest rates and currency rates and to utilise appropriate strategies to maximise returns, while attempting to reduce the associated risks to investment capital.

Temporary departure from investment objective
Where the ability to do so in respect of the Target Fund is disclosed in the relevant supplement Target Fund Prospectus, when the Target Fund Investment Manager or the Target Fund Sub-Investment Manager anticipates adverse market, economic, political or other conditions, it may temporarily depart from the Target Fund's investment objective and invest substantially in high-quality, short-term investments. This could help the Target Fund avoid losses but may also mean lost opportunities.

Currency risk
The NAV per share of the Target Fund will be computed in the base currency of the Target Fund, whereas the investments held for the account of the Target Find may be acquired in other currencies. The base currency value of the investments of the Target Fund designated in another currency may rise and fall due to exchange rate fluctuations in respect of the relevant currencies. Adverse movements in currency exchange rates can result in a decrease in return and a loss of capital. The Target Fund may attempt to fully or partially hedge into its base currency to mitigate the risk. In addition, currency hedging transactions, while potentially reducing the currency risks to which the Target Fund would otherwise be exposed, involve certain other risks, including the risk of a default by a counterparty.

Where the Target Fund engages in foreign exchange transactions which alter the currency exposure characteristics of its investments the performance of the Target Fund may be strongly influenced by movements in exchange rates as currency positions held by the Target Fund may not correspond with the securities positions held.

Where the Target Fund enters into "cross hedging" transactions (e.g., utilising currency different than the currency in which the security being hedged is denominated), the Target Fund will be exposed to the risk that changes in the value of the currency used to hedge may not correlate with changes in the value of the currency in which the securities are denominated, which could result in loss on both the hedging transaction and the Target Fund securities.

Political and/or regulatory risks
The Target Fund Company's operations are or may become subject to economic sanctions laws and regulations of various jurisdictions. At any given time, whether under applicable law, by contractual commitment or as a voluntary risk management measure, the Target Fund Company may be required, or elect, to comply with various sanctions programs, including the Specially Designated Nationals and Blocked Persons List and Sectoral Sanctions programs administered by the Office of Foreign Assets Control, the sanctions regimes administered by subsidiary organs of the United Nations Security Council and the restrictive measures adopted by the European Union. Some sanctions that may apply to the Target Fund Company may prohibit or restrict dealings with particular identified persons. Other potentially applicable sanctions programs broadly prohibit or restrict dealings in certain countries or territories, or with individuals and entities located in such countries or territories.

Sanctions may negatively impact the Target Fund's ability to effectively implement its investment strategy and have a material adverse impact on the Target Fund's investments in various ways, including by preventing or inhibiting the Target Fund from making certain investments, forcing the Target Fund to divest from investments previously made, which may lead to reductions in the revenues, profits and value of the Target Fund's investments.

Epidemics, pandemics, outbreaks of disease and public health issues
The activities of the Target Fund Company, the Target Fund Investment Manager and the Target Fund Sub-Investment Managers, their respective operations and the Target Fund Company's investments could be adversely affected by outbreaks of disease, epidemics and public health issues either regionally or globally, despite effective business continuity plans being in place. An example of this was the coronavirus, or COVID-19, which spread rapidly around the world following its initial emergence in December 2019. The outbreak of the novel coronavirus in many countries, among other things, disrupted global travel and supply chains, and adversely impacted global commercial activity, the transportation industry and commodity prices in the energy

sector. The impact of this virus negatively affected the economies of many nations, individual companies and the global securities and commodities markets, including liquidity and volatility and overall had an adverse effect on global economic and market conditions.
Additionally, any outbreak of disease epidemics may result in the closure of the Target Fund Investment Manager's and the Target Fund Sub-Investment Managers' offices or other businesses, and while the Target Fund Company, the Target Fund Investment Manager and the Target Fund Sub-Investment Managers' have robust remote working and business continuity procedures in place, it could impact the ability of the Target Fund Investment Manager and the Target Fund Sub-Investment Managers and their service providers to operate and implement the Target Fund's investment strategies and objectives which can ultimately have an adverse impact on the Target Fund Company's value. In addition, the Target Fund Investment Manager's and the Target Fund Sub-Investment Managers' personnel may be directly impacted by the spread, both through direct exposure and exposure to family members. Even though the Target Fund Investment Manager's and the Target Fund Sub-Investment Manager's business continuity procedures include measures to address the possibility of personnel contracting infectious disease that aim at mitigating the need for the Target Fund Company to suspend its activities, the spread of a disease among the Target Fund Investment Manager's and the Target Fund Sub-Investment Managers' personnel could significantly affect their ability to properly manage the affairs of the Target Fund Company, resulting in the possibility of the directors of the Target Fund deciding to implement a temporary or permanent suspension of the Target Fund Company's investment activities or operation, in accordance with the terms of the Target Fund Prospectus.

Furthermore, the risks related to epidemics, pandemics and outbreaks of disease are heightened due to potential uncertainty as to whether such an event would qualify as a force majeure event for commercial agreements to which the Target Fund Company is a party. The applicability, or lack thereof, of force majeure provisions could also come into question in connection with contracts that the Target Fund Company and its investments have entered into, which could ultimately work to their detriment. If a force majeure event is determined to have occurred, a counterparty to the Target Fund Company or a portfolio investment may be relieved of its obligations under certain contracts to which it is a party, or, if it has not, the Target Fund Company and its investments may be required to meet their contractual obligations, despite potential constraints on their operations and/or financial stability. Either outcome could adversely impact investments and the Target Fund Company's performance.

Euro, Eurozone and European Union ("EU") stability risks
In light of ongoing concerns on the sovereign debt risk of certain EU Member States within the Eurozone, the Target Fund Company's investments in the Euro region may be subject to higher volatility, liquidity, currency and default risks. Any adverse events, such as credit downgrade of a sovereign or exit of EU Member States from the Eurozone, may have a negative impact on the value of the Target Fund.

On 23 June 2016, the United Kingdom held a referendum and voted to leave the EU. This has led to volatility in the financial markets of the United Kingdom and more broadly across Europe and may also lead to weakening in consumer, corporate and financial confidence in such markets. On 31 January 2020, the United Kingdom formally left the EU and entered into a transition period that lasted until 31 December 2020. On 24 December 2020, a formal withdrawal agreement was agreed between the EU and the United Kingdom the terms of which dictate the extent and process by which the United Kingdom exits the EU, and the longer term economic, legal, political and social framework to be put in place between the United Kingdom and the EU (the "Withdrawal Agreement"). The Withdrawal Agreement took effect on 1 January 2021.

Notwithstanding the avoidance of a "no-deal Brexit" and the increased uncertainty that would likely have accompanied such a scenario, the United Kingdom's exit from the EU will likely lead to exacerbated periods of volatility and economic uncertainty in both the United Kingdom and in wider European markets in the short to mid-term. In particular, the decision made in the British referendum may lead to a call for similar referendums in other European jurisdictions which may cause increased economic volatility in the European and global markets. This uncertainty may have an adverse effect on the economy generally and on the ability of the Target Fund to execute their respective strategies and to receive attractive returns.

Leaving the EU may also result in significant changes to law and regulation in the United Kingdom. It is not currently possible to assess the effect of these changes on the Target Fund Company or the position of the shareholders. Investors should be aware that these and other similar consequences following from the referendum result may adversely affect the value of the shares and the Target Fund Company's performance.

Other unforeseen investment or operational risks may exist related to the possibility of one or more members exiting the Eurozone or EU, or the Eurozone or EU otherwise not remaining intact.

Investment selection and due diligence process
Before making investments, the Target Fund Manager will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. The Target Fund Investment Manager may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. The Target Fund Investment Manager may select investments on the basis of information and data filed by the issuers of such securities with various regulatory bodies or made directly available to the Target Fund Investment Manager by the issuers of the securities and other instruments or through sources other than the issuers.

Outside consultants, legal advisers, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Although the Target Fund Investment Manager evaluates all such information and data and seeks independent corroboration when it considers it appropriate and when it is reasonably available, the Target Fund Investment Manager is not in a position to confirm the completeness, genuineness or accuracy of such information and data. The due diligence investigation that the Target Fund Investment Manager will carry out with respect to any investment opportunity may not reveal or highlight certain facts that could adversely affect the value of the investment.

Equity securities
Equity securities represent ownership interests in a company or corporation, and include common stock, preferred stock and warrants and other rights to acquire such instruments. Investment in equity securities in general are subject to market risks that may cause their prices to fluctuate over time due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors. The value of convertible equity securities is also affected by prevailing interest rates, the credit quality of the issuer and any call provisions. Fluctuations in the value of equity securities in which the Target Fund invests would cause the NAV of the Target Fund to fluctuate.

Warrants
When the Target Fund invests in warrants, the NAV per share of the Target Fund may fluctuate more than if the Target Fund was invested in the underlying securities because of the greater volatility of the warrant price.

Depositary receipts
The Target Fund may purchase sponsored or unsponsored American Depositary Receipts, European Depositary Receipts and Global Depositary Receipts (collectively "Depositary Receipts") typically issued by a bank or trust company which evidence ownership of underlying securities issued by a corporation. Generally, Depositary Receipts in registered form are designed for use in the US securities market and Depositary Receipts in bearer form are designed for use in securities markets outside the US. Depositary Receipts may not necessarily be denominated in the same currency as the underlying securities into which they may be converted. Depositary Receipts may be issued pursuant to sponsored or unsponsored programs. In sponsored programs, an issuer has made arrangements to have its securities trade in the form of Depositary Receipts. In unsponsored programs, the issuer may not be directly involved in the creation of the program. Although regulatory requirements with respect to sponsored and unsponsored programs are generally similar, in some cases it may be easier to obtain financial information from an issuer that has participated in the creation of a sponsored program. Accordingly, there may be less information available regarding issuers of securities underlying unsponsored programs and there may not be a correlation between such information and the market value of the Depositary Receipts.

Real Estate Investment Trust Securities ("REITs")
In respect of the Target Fund which may invest in REITs, which are pooled investment vehicles that invest primarily in either real estate or real estate related loans, there are particular risks associated with the direct ownership of real estate by REITs. For example, real estate values may fluctuate as a result of general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, changes in zoning laws, casualty or condemnation losses, regulatory limitations on rents, changes in neighbourhood values, changes in how appealing properties are to tenants and increases in interest rates. As well as changes in the value of their underlying properties, the value of REITs may also be affected by defaults by borrowers or tenants.

Furthermore, REITs are dependent on specialised management skills. Some REITs may have limited diversification and may be subject to risks inherent in financing a limited number of properties. REITs depend generally on their ability to generate cash flows to make distributions to shareholders or unitholders and may be subject to defaults by borrowers and to self-liquidations. In addition, the performance of a REIT may be adversely affected if it fails to qualify for tax-free passthrough of income under US tax law or if it fails to maintain exemption from registration under the 1940 Act.

The ability to trade REITS in the secondary market can be more limited than other stocks. The liquidity of REITS on the major US stock exchanges is on average less than the typical stock included in, for example, the S&P 500 Index.

Small cap risk
In respect of the Target Fund which may invest in small capitalisation companies, such investments involve greater risk than is customarily associated with investments in larger, more established companies due to the greater business risks of small size, limited markets and financial resources, narrow product lines and a frequent lack of depth of management. The securities of small or medium-sized companies are often traded over-the-counter and may not be traded in volumes typical of securities traded on a national securities exchange. Consequently, the securities of smaller companies may have limited market stability and may be subject to more abrupt or erratic market movements than securities of larger, more established companies or the market averages in general. In a declining market these stocks can also be hard to sell at a price that is beneficial to the Target Fund.

Investment techniques
There are certain investment risks which apply in relation to techniques and instruments which the Target Fund Investment Manager may employ for efficient portfolio management purposes including, but not limited to, the techniques listed below. To the extent that the Target Fund Investment Manager's expectations in employing such techniques and instruments are incorrect, the Target Fund may suffer a substantial loss having an adverse effect on the NAV of the shares.

Concentration risk
Subject to the provisions of the UCITS Regulations, the Target Fund may at certain times hold large positions in a relatively limited number of issuers, investments, industries, markets or countries including, without limitation, as a result of price shifts of its investments, changes in the composition of the Target Fund's overall portfolio and other factors. The Target Fund could be subject to significant losses if it holds a relatively large position in a single issuer or a particular type of investment that declines in value and the losses could increase even further if the investments cannot be liquidated without adverse market reaction or are otherwise adversely affected by changes in market conditions or circumstances. Additionally, where the Target Fund's investments are concentrated in a particular country, the Target Fund will have greater exposure to market, political, legal, economic and social risks of that country than a fund which diversifies country risk across a number of countries. As a result, the value of the Target Fund may be more volatile than a fund which diversifies across a larger number of countries or investments.

Valuation risk
Valuation of the Target Fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the NAV calculation of the Target Fund.

Private companies and pre-IPO investments
Investments in private companies, including companies that have not yet issued securities publicly in an IPO ("Pre-IPO shares") involve greater risks than investments in securities of companies that have traded publicly on an exchange for extended periods of time. Investments in these companies are generally less liquid than investments in securities issued by public companies and may be difficult for the Target Fund to value. Compared to public companies, private companies may have a more limited management group and limited operating histories with narrower, less established product lines and smaller market shares, which may cause them to be more vulnerable to competitors' actions, market conditions and consumer sentiment with respect to their products or services, as well as general economic downturns. In addition, private companies may have limited financial resources and may be unable to meet their obligations under their existing credit facilities (to the extent that such facilities exist), resulting in a greater likelihood of the dilution or subordination of the Target Fund's investment in such private company.

Additionally, there may be less information, and less reliable information, available in relation to private companies' business, management and earnings potential and other data criteria used to evaluate their investment prospects. Financial reporting obligations for private companies are not as rigorous as public companies, accordingly the information available may be less reliable and it may be difficult to fully assess the rights and values of certain securities issued by private companies.

Although there is a potential for pre-IPO shares to increase in value if the company does issue shares in an IPO, IPOs are risky and volatile and may result in losses to the Target Fund. Moreover, because securities issued by private companies are generally not freely or publicly tradable, the Target Fund may not have the opportunity to purchase or the ability to sell these shares in the amounts or at the prices the Target Fund desires. The private companies that the Target Fund may invest in may not ever issue shares in an IPO and a liquid market for their pre-IPO shares may never develop, which may negatively affect the price at which the Target Fund can sell these shares and make it more difficult to sell these shares, which could also adversely affect the Target Fund's liquidity.

Sustainable investment style risk
The Target Fund's application of financially material environmental, social or governance factors is designed and utilised to help identify companies that demonstrate the potential to create economic value or reduce risk; however as with the use of any investment criteria in selecting a portfolio of issuers or securities, there is no guarantee that the criteria used by the Target Fund will result in the selection of issuers or securities that will outperform other issuers/securities, or help reduce risk in the Target Fund. The application of these factors could also affect the Target Fund's exposure to certain sectors or industries and could impact the Target Fund's investment performance depending on whether these factors are ultimately reflected in the market.

The financially material environmental, social or governance factors considered by the Target Fund may result in the Target Fund forgoing opportunities to buy certain securities when it might otherwise be advantageous to do so and/or selling securities due to their sustainable characteristics when it might not be advantageous to do so. As such, the application of these factors may restrict the ability of the Target Fund to acquire or dispose of their investments at a price and time that they wish to do so and may therefore result in a loss to the Target Fund.

Information used to evaluate the Target Fund's application of financially material environmental, social or governance factors, like other factors used to identify companies in which to invest, may not be readily available, complete, or accurate, which could negatively impact the Target Fund's performance or create additional risk in the Target Fund. Different persons (including third-party data or ratings providers, investors and other managers) may arrive at different conclusions regarding the sustainability or impact of the Target Fund or their investments.

There is currently no globally accepted framework or definition (legal, regulatory or otherwise) nor market consensus as to what constitutes, a "sustainable", "impact", "climate" or an equivalently-labelled product, or regarding what precise attributes are required for a particular instrument, product or asset to be defined as such. The Taxonomy Regulation intends to establish a framework to facilitate sustainable investment and provides a common taxonomy for identifying economic activities as environmentally sustainable within the European Economic Area. However, the scope of the Taxonomy Regulation is limited to six environmental objectives initially (and so will not cover the entire universe of sustainable objectives) and is not currently expected to be used universally, outside of the European Economic Area.

The approach to sustainable investment and financially material environmental, social or governance factors may evolve and develop over time, both due to the refinement of investment-decision making processes to address such factors and risks, and because of legal and regulatory developments.

MARKET RISKS – RISKS RELATING TO DEBT SECURITIES

Repurchase/ Reverse repurchase risk
The value of the collateral of Repo Contracts will be maintained to at least equal to the value of the assets transferred by the Target Fund, in the event of a sudden market movement there is a risk that the value of such collateral may fall below the value of the securities transferred.

In relation to repurchase transactions, investors must notably be aware that (a) in the event of the failure of the counterparty with which cash of the Target Fund has been placed there is the risk that collateral received may yield less than the cash placed out, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; that (b) (i) locking cash in transactions of excessive size or duration, (ii) delays in recovering cash placed out, or (iii) difficulty in realising collateral may restrict the ability of the Target Fund to meet redemption requests, security purchases or, more generally, reinvestment; and that (c) repurchase transactions will, as the case may be, further expose the Target Fund to risks similar to those associated with option or forward FDI, which risks are further described in other sections of the Target Fund Prospectus.

MARKET RISKS – RISKS RELATING TO EMERGING MARKETS

Emerging Market Countries' economies
All securities investing and trading activities risk the loss of capital. While the Target Fund Investment Manager attempts to moderate these risks, there can be no assurance that the Target Fund Company's investment and trading activities will be successful or that investors will not suffer significant losses. Investing in Emerging Market Countries may involve heightened risks (some of which could be significant) and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include, but are not limited to: (a) greater social, economic and political uncertainty including war; (b) higher dependence on exports and the corresponding importance of international trade; (c) greater risk of inflation; (d) increased likelihood of governmental involvement in and control over the economies; (e) governmental decisions to cease support of economic reform programs or to impose centrally planned economies; and (f) certain considerations regarding the maintenance of the Target Fund Company's securities and cash with non-US brokers and securities depositories. Separately, bid and offer spreads of the price of securities may be significant and accordingly, the Target Fund Company may incur significant trading costs. The following discussion sets forth additional risks associated with investing in the securities of Emerging Market Countries:

- ***General economic and market conditions***

The success of the Target Fund's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls and national and international political circumstances. These factors may affect the level and volatility of securities' prices and the liquidity of the Target Fund's investments. Volatility or illiquidity could impair the Target Fund's profitability or result in losses.

The economies of individual Emerging Market Countries may differ favourably or unfavourably from developed economies in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, the economies of Emerging Market Countries generally are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be adversely affected by economic conditions in the countries with which they trade. The economies of certain of these countries may be based, predominantly, on only a few industries and may have higher levels of debt or inflation.

With respect to certain countries, there is the possibility of nationalisation, expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, limitations on the removal of funds or other assets of the Target Fund, political changes, government regulation, social instability or diplomatic developments (including war), any of which could affect adversely the economies of such countries or the value of the Target Fund's investments in those countries.

Where the Target Fund's assets are invested in narrowly-defined markets or sectors of a given economy, risk is increased by the inability to broadly diversify investments and thereby subjecting the Target Fund to greater exposure to potentially adverse developments within those markets or sectors.

- ***Volatility***

Emerging Market Countries are more likely than developed markets to experience periods of extreme volatility. For example, many emerging equity markets fell by 80% or more in 1998, after having risen by more than 100% in the previous year. Such volatility could result in substantial losses for the Target Fund.

- ***Securities markets***

Securities markets in Emerging Market Countries may have substantially less volume of trading and are generally more volatile than securities markets of developed countries. In certain periods, there may be little liquidity in such markets. There is often less government regulation of stock exchanges, brokers and listed companies in Emerging Market Countries than in developed market countries. Commissions for trading on Emerging Market Countries' stock exchanges are generally higher than commissions for trading on developed market exchanges. In addition, settlement of trades in some non-US markets is much slower and more subject to failure than in US markets. Furthermore, some of the Target Fund's investments may not be listed on any stock market.

- ***Exchange rate fluctuations; currency considerations***

The assets of the Target Fund which invest in Emerging Market Countries will generally be invested in non-US Dollar denominated securities and any income or capital received by the Target Fund from these Investments will be denominated in the local currency of Investment, whereas shares in the Target Fund will typically be denominated in a range of more developed country currencies. Accordingly, changes in currency exchange rates (to the extent only partially or fully unhedged) between the currency of the relevant Emerging Market Country and the currency in which a Class is denominated may affect the value of the shares. As the currency exchange rates of Emerging Market Countries tend to be more volatile than those of more developed economies, the effect of changes in exchange rates on the value of shares in the Target Fund which invests in Emerging Market Countries may be more pronounced than it would be for portfolio which invest in more developed markets.

Furthermore, the Target Fund will accept subscriptions and pay distributions and redemption proceeds, in such typically more developed country currencies, as applicable, while it invests in local currency and will therefore incur costs in connection with conversions between various currencies. Currency exchange dealers realize a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to the Target Fund Company at one rate, while offering a lesser rate of exchange should the Target Fund Company desire immediately to resell that currency to the dealer. Due to the relatively small size of the markets for currencies of Emerging Market Countries, the spread between a dealer's sell and offer prices for such currencies may be greater than that for the currencies of more developed economies which may result in relatively higher currency exchange costs for portfolios which invest in Emerging Market Countries' economies. The Target Fund Company will conduct its currency exchange transactions either on a spot (i.e., cash) basis at the spot rate prevailing in the currency exchange market, or through entering into forward or options contracts to purchase or sell non US currencies. It is anticipated that most of the Target Fund's currency exchange transactions will occur at the time securities are purchased and will be executed through the local broker or custodian acting for the Target Fund.

- ***Risk of errors and omissions in information***

Companies in Emerging Market Countries are generally subject to less stringent and less uniform accounting, auditing and financial reporting standards, practices and disclosure requirements than those applicable to companies in developed countries. Consequently, there is usually less publicly available information about an Emerging Market Country's company than about a company in a developed country. Furthermore, the quality and reliability of official data published by the government or securities exchanges in Emerging Market Countries may not be of the same standard as in more developed economies.

- ***Investment and repatriation restrictions***

Some Emerging Market Countries have laws and regulations that currently preclude direct foreign investment in the securities of their companies. However, indirect foreign investment in the securities of companies listed and traded on the stock exchanges in these countries is permitted by certain Emerging Market Countries through investment funds that have been specifically authorised. The Target Fund Company may invest in these investment funds. If the Target Fund invests in such investment funds, the investors will bear not only the expenses of the Target Fund, but also will indirectly bear similar expenses of the underlying investment funds.

In addition to the foregoing investment restrictions, prior governmental approval for foreign investments may be required under certain circumstances in some Emerging Market Countries, and the extent of foreign investment in domestic companies may be subject to limitation in other Emerging Market Countries. Foreign ownership limitations also may be imposed by the charters of individual companies in Emerging Market Countries. For this and other reasons, some attractive securities may not be available to the Target Fund Company.

Repatriation of investment income, assets and the proceeds of sales by foreign investors may require governmental registration and/or approval in some Emerging Market Countries. The Target Fund Company could be adversely affected by delays in or a refusal to grant any required governmental registration or approval for such repatriation or by withholding taxes imposed by Emerging Market Countries on interest or dividends paid on securities held by the Target Fund Company or gains from the disposition of such securities.

- ***Legal risk***

Many of the laws that govern private and foreign investment, securities transactions and other contractual relationships in Emerging Market Countries are new and largely untested. As a result, the Target Fund Company may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgment in certain of the Emerging Market Countries in which assets of the Target Fund Company are invested. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the Target Fund Company and its operations. In addition, the income and gains of the Target Fund Company may be subject to withholding taxes imposed by foreign governments for which shareholders may not receive a full foreign tax credit.

Regulatory controls and corporate governance of companies in Emerging Market Countries usually confer little protection on minority shareholders. Anti-fraud and anti-insider trading legislation is often rudimentary. The concept of fiduciary duty to shareholders by officers and directors is also limited when compared to such concepts in developed markets. In certain instances, management may take significant actions without the consent of shareholders and anti-dilution protection also may be limited.

- ***Custodial risk***

The Target Fund that invests in Emerging Market Countries' economies will have certain custodial risks that are described under "*Custodial Risk*".

People's Republic of China ("PRC") QFI risks

The Target Fund may make investments that are tied economically to issuers from the PRC. This exposure to the China bond market may be obtained via the Qualified Foreign Institutional Investor ("QFII") regime and/or the Renminbi Qualified Foreign Institutional Investor ("RQFII") regime, subject to applicable Chinese regulatory requirements. Under the current Chinese regulations, the QFII regime and RQFII regime have been merged into one qualified foreign investor ("QFI") regime and are governed by the same set of regulations. A foreign institutional investor having held either a QFII license or a RQFII license will automatically be regarded as having a QFI license and there is no need for such foreign institutional investor to re-apply for the QFII/RQFII license. In light of the merger of the QFII and RQFII regimes, the "QFII" and the "RQFII" are collectively referred to as the "QFI" throughout this Prospectus.

- ***QFI Regulatory Risks***

PRC investments by overseas institutions can be made by or through holders of a QFI license, as approved under and subject to applicable Chinese regulations and regulatory requirements (the "QFI Regulations"), which are governed by PRC authorities, including the China Securities Regulatory Commission ("CSRC"), the State Administration of Foreign Exchange ("SAFE") and the People's Bank of China ("PBOC").

Neuberger Europe Limited and Neuberger Singapore Pte. Limited have been granted a QFI license ("QFI License") by CSRC and all references to the Sub-Investment Manager throughout this section shall be construed to mean these entities only. The relevant requirements and restrictions under the QFI Regulations apply to the Target Fund Sub-Investment Manager (as the QFI License holders) as a whole, and not simply to investments made by the Target Fund. Shareholders should be aware that violations of any QFI Regulations arising from activities through the Target Fund Sub-Investment Manager's QFI status other than those conducted by the Target Fund could result in the revocation of, or other regulatory action in respect of, the Target Fund Sub-Investment Manager's QFI status as a whole. As a result, the ability of the Target Fund to make investments and/or repatriate monies through the Target Fund Sub-Investment Manager's QFI status may be affected adversely by the investments or performance by other investors utilizing the Target Fund Sub-Investment Manager's QFI status.

As the QFI Regulations have a relatively short history and their application and interpretation remain relatively untested, there is uncertainty as to how they will be applied and interpreted by the PRC authorities or how regulators may exercise the wide discretionary powers given to them thereunder in future. Any changes to the relevant rules may have a material adverse impact on investors' investment in the Target Fund.

- ***QFI Status Risks***

Investors should note that under the QFI Regulations, the QFI status could be suspended or revoked under certain circumstances where the PRC regulators have discretions. If the QFI status is suspended or revoked, the Target Fund may be required to dispose of their securities held through the QFI and may not be able to access the Chinese securities market via the QFI, which may have an adverse effect on the Target Fund's performance.

- ***QFI Repatriation Risks***

Repatriation of funds out of the PRC by the Target Fund Sub-Investment Manager in respect of the Target Fund, currently monitored by SAFE, may be impacted by restrictions under the QFI Regulations and may have a material adverse impact on the Target Fund's performance and/or liquidity and impact on the Target Fund's ability to meet redemption requests from the shareholders. Such repatriations are not subject to repatriation restrictions (such as the lock-up period) or prior approval, although authenticity and compliance reviews will be conducted, and monthly reports on remittances and repatriations will be submitted to SAFE by the QFI Custodian(s) (as defined below). In addition, the repatriation process may be subject to certain requirements set out in the relevant regulations such as submission of certain documents, and completion of the repatriation process may be subject to delay. It should be noted that the actual time required for the completion of the relevant repatriation will be beyond the Target Fund Sub-Investment Manager's control. Shareholders should also note that the QFI Regulations may be amended and repatriation restrictions may be imposed in the future. These repatriation restrictions could result in the Target Fund Company being obliged to suspend dealings in the Target Fund temporarily, in accordance with the "*Temporary Suspension of Dealings*" section so that a redeeming shareholder may not be able to redeem on its chosen dealing day or may experience a delay in receiving the redemption proceeds.

In extreme circumstances, the Target Fund may incur significant losses due to limited investment capabilities, or may not be able fully to implement or pursue its investment objectives or strategies, due to QFI investment restrictions, illiquidity of the PRC's securities market and delay or disruption in execution of trades or in settlement of trades.

- ***PRC Custody Risks***

Pursuant to PRC requirements, securities such as fixed income securities traded on the interbank bond market and the exchange markets in the PRC through the QFI regime will be safe-kept by one or more local custodian(s) ("QFI Custodian(s)") through securities accounts with relevant depositories or clearing institutions such as the China Securities Depository and Clearing Corporation Limited, the China Central Depository & Clearing Co. Ltd and/or the Shanghai Clearing House Co. Ltd. Cash shall be maintained in a cash account with the QFI Custodian(s).

The Depositary shall ensure that the PRC Custodian(s) has appropriate procedures to properly safe-keep the assets of the Target Fund including the maintenance of records that the Target Fund's assets are recorded in the name of the Target Fund and segregated from the other assets of the PRC Custodian(s). Under QFI Regulations, the Target Fund's securities held by the Target Fund Sub-Investment Manager pursuant to its QFI License will be registered in the joint names of the Target Fund Sub-Investment Manager and the Target Fund for the sole benefit and use of the Target Fund. Although according to QFI Regulations, the ownership of the assets in such securities accounts belongs to the Target Fund, and shall be segregated from the assets of the Target Fund Sub-Investment Manager (as the QFI) and the QFI Custodian, it is possible that the judicial and regulatory authorities in China may interpret that the Target Fund Sub-Investment Manager could be the party entitled to the securities in such securities trading account. Such securities may be vulnerable to a claim by a liquidator of the Target Fund Sub-Investment Manager and may not be as well protected as if they were registered solely in the name of the Target Fund. In particular, the Target Fund Sub-Investment Manager's creditors may seek to gain control of the Target Fund 's assets to meet any liabilities owed by the Target Fund Sub-Investment Manager to such creditors.

Investors should also note that cash deposited in the cash account(s) of the Target Fund with the QFI Custodian(s) will not be segregated but will be a debt owing from the QFI Custodian(s) to the Target Fund as a depositor. Any such cash may be co-mingled with cash belonging to other clients of the QFI Custodian. In the event of bankruptcy or liquidation of the QFI Custodian(s), the Target Fund will become an unsecured creditor ranking pari passu with all other unsecured creditors and without any proprietary rights to the deposited cash. The Target Fund may not be able to recover it in full or at all, in which case the Target Fund may suffer losses. Also, the Target Fund may incur losses due to the acts or omissions of the QFI Custodian(s) in the execution or settlement of any transaction or in the transfer of any funds or securities.

- ***PRC Brokerage Risks***

The execution and settlement of transactions or the transfer of any funds or securities may be conducted by brokers ("PRC Brokers") appointed by the QFI. There is a risk that the Target Fund may suffer losses from the default, bankruptcy or disqualification of the PRC Brokers. In such event, the Target Fund may be adversely affected in the execution or settlement of any transaction or in the transfer of any funds or securities.

In the selection of PRC Brokers, the QFI will have regard to factors such as the competitiveness of commission rates, size of the relevant orders and execution standards. If the QFI considers appropriate, it is possible that a single PRC Broker will be appointed and the Portfolio may not necessarily pay the lowest commission available in the market.

- ***Investment Restrictions***

Investments in the PRC securities market via the QFI regime are subject to compliance with certain investment restrictions imposed by the QFI Regulations including the following, which apply to each foreign investor (including the Target Fund) investing through the QFI regime and will affect the Target Fund’s ability to invest in the PRC securities market and carry out their investment objectives:

(i) shares held by each underlying foreign investor (such as the Target Fund) which invests (through the QFI regime or other permissible channels) in one PRC listed company or an National Equities Exchange and Quotations (NEEQ)-admitted company should not exceed 10% of the total shares of such company; and

(ii) aggregate China A Shares held by all underlying foreign investors (such as the Target Fund and all other foreign investors) which invest (through the QFI regime or other permissible channels) in one PRC listed company or an NEEQ-admitted company should not exceed 30% of the total shares of such company.

Strategic investment in listed companies by qualified foreign investors and other foreign investors in accordance with law is not bound by the restrictions specified in paragraphs (i) and (ii) above.

Although it has not been explicitly provided under the QFI Regulations, in practice, the 10% single foreign shareholding restriction is also applied at the QFI level, under which a QFI may not hold 10% or more shares of any listed company, regardless of the fact that such QFI is holding such shares for a number of different clients. Accordingly, as the QFI status of the Target Fund Sub-Investment Manager may be utilised by the Target Fund and other investors as well, the capability of the Target Fund to invest in the shares of certain listed company may be limited due to the investments in the shares of such listed company by other investors sharing the QFI status of the Target Fund Sub-Investment Manager. Specifically, when the shareholding of such other investors in a PRC listed company reaches 10%, the Portfolios may not be able to buy any such shares, even if the then effective price of such shares is advantageous to the Target Fund.

Similarly, since the 30% aggregate foreign shareholding restriction is monitored at the level of all foreign investors, the capability of the Target Fund to invest in China A Shares of certain listed company may also be limited due to the investments made by other foreign investors.

- ***Risk of not obtaining PBOC approval***

The Target Fund Sub-Investment Manager is required to obtain approval from PBOC before it can invest in PRC bonds via the China Interbank Bond Market for the Target Fund. There is no guarantee that any such approval will be obtained or, if obtained, such approval will not be revoked. The investment options available to the Target Fund will be adversely affected and restricted if the required PBOC approval is not obtained or revoked. This may have adverse impact on the performance of the Target Fund.

- ***RMB Currency Risk***

RMB is currently not a freely convertible currency and is subject to exchange controls and restrictions. The Target Fund which invests primarily in securities denominated in RMB but its net assets will be quoted in foreign currencies. Accordingly, the Target Fund’s investment may be adversely affected by movements of exchange rates between RMB and other currencies. There can be no assurance that the RMB exchange rate will not fluctuate widely against the US Dollar or any other currency in the future. Any depreciation of the RMB will decrease the value of RMB denominated assets, which may have a detrimental impact on the performance of the Target Fund.

The RMB is traded in both the onshore and offshore markets. While both onshore RMB (“CNY”) and offshore RMB (“CNH”) represent the same currency, they are traded in different and separate markets which operate independently. Therefore CNY and CNH do not necessarily have the same exchange rate and their movement may not be in the same direction. When calculating the NAV of shares of a non-RMB denominated Class, the Administrator will apply the exchange rate for offshore RMB market in Hong Kong, i.e. the CNH exchange rate, which may be at a premium or discount to the exchange rate for onshore RMB market in the PRC, i.e. the CNY exchange rate.

- ***Disclosure of Interests***

Whereas the PRC disclosure of interest requirements generally apply to the equities investment in PRC listed companies, the convertible bonds (if any) held by an investor which can be converted to shares of the listed company may also be subject to such requirements. In addition, the Target Fund investing in relevant securities via the Target Fund Sub-Investment Manager's QFI status may be deemed to be acting in concert with other funds or portfolios managed by the Target Fund Sub-Investment Manager and therefore may be subject to the risk that the Target Fund 's investments may have to be reported in aggregate with the holdings of such other funds or portfolios above should the aggregate holding trigger the reporting threshold under the PRC law, currently being 5% of the total issued shares of the relevant PRC listed company. This may expose certain of the Target Fund's investments to the public and may adversely impact the performance of the Target Fund.

Investing in the PRC and the Greater China Region

The Target Fund may make investments that are tied economically to issuers from the PRC, or other issuers associated with the greater China region, such as Hong Kong, Macau or Taiwan. The Target Fund may also invest in issuers which may be listed or traded on recognised or over-the-counter markets located both inside and outside of the greater China region, such as the United Kingdom, Singapore, Japan or the United States.

Investments in PRC-related securities involve certain risks and special considerations not typically associated with Anglosphere markets (i.e., Australia, Canada, New Zealand, the United Kingdom and the US), such as greater government control over the economy, political and legal uncertainty, controls imposed by the PRC authorities on foreign exchange and movements in exchanges rates (which may impact on the operations and financial results of PRC companies), confiscatory taxation, the risk that the PRC government may decide not to continue to support economic reform programs, the risk of nationalisation or expropriation of assets, lack of uniform auditing and accounting standards, less publicly available financial and other information, potential difficulties in enforcing contractual obligations and limitations on the ability to distribute dividends due to currency exchange issues, which may result in risk of loss of favourable tax treatment. Accordingly, the Target Fund's investment in PRC-related securities may be subject to greater price volatility than Anglo-sphere markets, as a result of greater interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity. Furthermore, these risk factors, particularly regarding the PRC government's decision making processes and ability to nationalise or expropriate assets, reduce the Target Fund Sub-Investment Manager's ability to anticipate interest rate movements, which may affect the value of the Target Fund.

The Shanghai Stock Exchange ("SSE") and the Shenzhen Stock Exchange ("SZSE") may have lower trading volumes when compared to exchanges in developed markets and the market capitalizations of many listed companies are small compared to those on exchanges in developed markets. The listed equity securities of many companies in the PRC, such as China A Shares and China B Shares, are accordingly less liquid and may experience greater volatility than in more developed, OECD countries. China A Shares are shares of companies incorporated in the PRC and listed on the SSE and SZSE that may be subscribed for and traded in Chinese Yuan Renminbi by PRC investors and non-PRC investors with QFI status or via Stock Connect described below (also known as "Chinese Yuan common stock"). China B Shares are shares of companies incorporated in the PRC and listed on the SSE and the SZSE that may be subscribed for and traded in foreign currencies by non-PRC investors (also known as "Chinese Yuan special shares").

Government supervision and regulation of the PRC securities market and of quoted companies is also less developed than in many OECD countries. The PRC stock market has in the past experienced substantial price volatility and no assurance can be given that such volatility will not occur in the future. The above factors could negatively affect the capital growth and performance of such investments and the NAV of the Target Fund, the ability to redeem shares in the Target Fund and the price at which such shares may be redeemed. The evidence of title of exchange-traded securities in the PRC consists only of electronic book entries in the depository and/or registry associated with the exchange. These arrangements of the depositories and registries are new and not fully tested in regard to their efficiency, accuracy and security.

These risks may be more pronounced for the China A Share market than for PRC securities markets generally because the China A Share market is subject to greater governmental restrictions and control. Moreover, information available about PRC companies may not be as complete, accurate or timely as information about listed Anglo-sphere companies. Under the current PRC regulations, foreign investors can only invest directly in the China A Share market through institutions that have obtained QFI status or Stock Connect. While the Sub-Investment Manager currently holds QFI status, it is anticipated that the Target Fund would gain any exposure that they take to the China A Share market through investments in equity linked products issued by financial institutions which are QFI or through Stock Connect and would not invest in this market through either a QFI license.

The Target Fund may elect to gain exposure to certain issuers in the greater China region by utilising existing or future "access" products or programs. For example, the Target Fund may participate in Stock Connect, a program approved by the China Securities Regulatory Commission ("CSRC") and the Securities and Futures Commission of Hong Kong, which is intended to provide mutual stock market access between the PRC and Hong Kong. Stock Connect is a securities trading and clearing linked program developed by the Stock Exchange of Hong Kong ("SEHK"), the SSE, the SZSE and China Securities Depository and Clearing Corporation Limited ("ChinaClear").

To the extent that the Target Fund participates in Stock Connect or any similar access program that is novel, new or under development, the Target Fund may be subject to new, uncertain or untested rules and regulations promulgated by the relevant regulatory authorities. Moreover, current regulations governing a Portfolio's investment in PRC companies may be subject to change. There can be no assurance that Stock Connect or any other investment program will not be abolished and the Target Fund may be adversely affected as a result of such changes.

Risks associated with the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect

The Target Fund may invest through Shanghai Stock Connect in certain eligible securities listed on the SSE ("SSE Securities") and through the Shenzhen Stock Connect in certain eligible securities listed on the SZSE ("SZSE Securities", collectively with the SSE Securities, "Eligible Securities"), which subjects the Target Fund to other risks including, but not limited to the following:

- ***Quota limitations***

Stock Connect is subject to quota limitations. Trading under Stock Connect will be subject to a daily quota ("Daily Quota"). Northbound trading and Southbound trading are respectively subject to a separate set of Daily Quota. The Northbound Daily

Quota limits the maximum net buy value of cross-boundary trades under Stock Connect on each trading day. In particular, once the remaining balance of the Northbound Daily Quota drops to zero or the Northbound Daily Quota is exceeded during continuous trading or the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the quota balance) for the remainder of the day. The relevant PRC government authority has the power to change the Daily Quota or impose other quota from time to time. Therefore, quota limitations may restrict the Target Fund's ability to invest in the Eligible Securities through Stock Connect on a timely basis and the Target Fund may not be able to effectively pursue its investment strategies.

- ***Suspension risks***

It is contemplated that the SEHK, the SSE and the SZSE would reserve the right to suspend Northbound and/or Southbound trading of the respective Stock Connect if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. The relevant PRC government authority may also impose "circuit breakers" and other measures to halt or suspend Northbound trading. Where a suspension in the Northbound trading through Stock Connect is effected, the Target Fund's ability to access the PRC market will be adversely affected.

- ***Differences in Trading Day***

Stock Connect will only operate on days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. Therefore it is possible that there will be occasions when it is a normal Trading Day for the PRC market but Hong Kong and other overseas investors (such as the Target Fund) cannot carry out any trading via Stock Connect. The Target Fund may be subject to a risk of price fluctuations in the Eligible Securities during the time when Stock Connect is not trading as a result.

- ***Operational risk***

Stock Connect provides a channel for investors from Hong Kong and overseas to access the PRC stock markets directly. Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchanges and/or clearing house. It should be appreciated that the securities regimes and legal systems of the Hong Kong and PRC markets differ significantly and in order for the trial program to operate, market participants may need to address issues arising from the differences on an on-going basis.

Further, the "connectivity" in Stock Connect requires routing of orders across the border. This required the development of new information technology systems on the part of the SEHK and exchange participants (i.e., a new order routing system to be set up by the SEHK to which exchange participants need to connect). There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through Stock Connect could be disrupted. The Target Fund's ability to access the PRC market (and hence to pursue their respective investment strategies) will be adversely affected where systems fail to function properly as outlined above.

- ***Restrictions on selling imposed by front-end monitoring***

PRC regulations require that before an investor sells any Eligible Securities, there should be sufficient Eligible Securities in the account before market opens on that day; otherwise the relevant PRC exchanges will reject the sell order concerned. The SEHK will carry out pre-trade checking on Eligible Securities sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

If the Target Fund desires to sell certain Eligible Securities it holds, the SEHK requires that the broker involved in the sale of the relevant Eligible Securities confirms the Target Fund holds a sufficient amount of such Eligible Securities before the market opens on the day of selling ("Trading Day"). If the broker cannot confirm this prior to the market opens, it will not be able to execute the sale of those Eligible Securities on behalf of the Target Fund on that Trading Day. Because of this requirement, the Target Fund need to facilitate this broker confirmation in order to dispose of their holdings of the Eligible Securities in a timely manner.

Some local custodians are offering solutions to assist investors in meeting this requirement without the need to pre-deliver the securities to the broker prior to the trading date. For example, certain local custodians are offering an "integrated brokerage/custodian model" where the local custodian will be appointed to act as the sub-custodian to the Target Fund. Subsequently, the brokerage arm of the local custodian will be provided with sufficient evidence that a sufficient amount is held by the Target Fund to allow the broker to execute the sale of the relevant Eligible Securities. This model allows the Target Fund to ensure that all securities remain in custody at all times. Separately, the SEHK has implemented an enhanced pre-trade checking model which investors will no longer need to pre-deliver securities to brokers. Custodians will need to open a "special segregated account" with CCASS (the Central Clearing and Settlement System operated by the HKSCC for the clearing securities listed or traded on SEHK) for investors which will generate a unique investor ID. CCASS will snapshot the securities holdings in that account to facilitate pre-trade checking requirements. Brokers when executing sell orders for investors who opt to use the enhanced model will need to provide the investor ID as an identifier. The aim of the enhanced model is to allow greater flexibility to investors to use multiple brokers. The SEHK will also be implementing a further enhancement by introducing an additional RMB interbank bulk settlement run at night time. This further enhancement will allow RMB cash settlement to be fully confirmed on the same day, achieving a true delivery-versus-payment arrangement.

The Target Fund Company has currently adopted the integrated custody/brokerage model in respect of its portfolios but is investigating the above enhancements. The Target Fund Company intends to adopt the enhanced pre-trade checking model and utilise the enhanced RMB interbank bulk settlement in respect of its portfolios once all the related operational and implementation issues, have been resolved. However, please note that there is no guarantee that any such proposal will be, or will continue to be, implemented and will not be revoked, how effective and it will be in helping to address the requirement or what the costs associated with using it will be.

- ***Short swing profit rule***

According to the PRC securities law, a shareholder of 5% or more of the total issued shares (or other securities with the nature of equity) of a PRC listed company or a company whose stocks are being traded on other national securities trading venues approved by the State Council ("major shareholder") has to return to such company any profits obtained from the purchase and sale of shares (or other securities with the nature of equity) of such company if both transactions occur within a six-month period, subject to the exceptions set out under the PRC securities law. In the event that the Target Fund Company or the Target Fund becomes a major shareholder of such company by investing in China A Shares via Stock Connect or market access products, the profits that the Target Fund may derive from such investments may be limited, and thus the performance of the Target Fund may be adversely affected.

- ***Restriction on Turnaround (day) Trading***

Turnaround (day) trading is not permitted under Stock Connect. Investors cannot purchase and sell the same securities via Stock Connect on the same Trading Day. This may restrict the Target Fund's ability to invest in Eligible Securities through Stock Connect and to enter into or exit trades on a timely basis.

- ***Recalling of Eligible Securities***

When a security is recalled from the scope of Eligible Securities for trading via Stock Connect, the security can only be sold and is restricted from being bought. This may affect the investment portfolio or strategies of the Target Fund, for example, when the Target Fund Investment Manager wishes to purchase a security which is recalled from the scope of Eligible Securities.

- ***Clearing and settlement risk***

The HKSCC, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited, and ChinaClear have established the clearing links and each has become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will, on the one hand clear, and settle with its own clearing participants and, on the other hand, undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC will in good faith, seek recovery of the outstanding securities and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the Target Fund may suffer delay in the recovery process or may not be able to fully recover their losses from ChinaClear.

- ***Participation in corporate actions and shareholders' meetings***

HKSCC will keep CCASS participants informed of corporate actions of Eligible Securities. Hong Kong and overseas investors (including the Portfolios) will need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e., CCASS participants). The time for them to take actions for some types of corporate actions of Eligible Securities may be as short as one business day only. Therefore, the Portfolios may not be able to participate in some corporate actions in a timely manner.

Hong Kong and overseas investors (including the Target Fund) hold Eligible Securities traded via Stock Connect through their brokers or custodians. Multiple proxies are currently not available in the PRC market. Therefore the Target Fund will not be able to attend meetings as proxy in person in respect of the Eligible Securities.

- ***Investor compensation***

Investment through Stock Connect is conducted through broker(s), and is subject to the risks of default by such brokers' in their obligations. The Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed Intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Examples of default are insolvency, in bankruptcy or winding up, breach of trust, defalcation, fraud, or misfeasance.

For defaults occurring on or after 1 January 2020, the Investor Compensation Fund also covers investors' losses in relation to securities traded on a stock market operated by the SSE or the SZSE and in respect of which an order for sale or purchase is permitted to be routed through the northbound link of a Stock Connect arrangement.

On the other hand, since the Target Fund are carrying out Northbound trading through securities brokers in Hong Kong but not brokers in Mainland China, therefore they are not protected by China Securities Investor Protection Fund in Mainland China.

- ***Government Intervention***

Chinese securities markets may be more volatile and unstable due to governmental intervention. The Chinese government has been known to intervene in China's securities markets in a manner that may significantly affect market price and liquidity. Government interventions, such as imposing limits on the sale of shares and trading of index futures, devaluation of the RMB and channelling capital into equities, may increase stock market fluctuations and create uncertainties in the stock markets, which may materially affect the Target Fund's investments.

- ***Currency Risk***

Further devaluation of the RMB can materially affect the Target Fund's investments. There is no assurance that the RMB will not be subject to devaluation. Shareholders should also note the downside risk associated with RMB. Any devaluation of the RMB could adversely affect the Target Fund's investment, especially if the Target Fund seeks to focus on equities of Greater China companies and companies with significant exposure to China.

- ***Regulatory risk***

Stock Connect is subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under Stock Connect.

It should be noted that the regulations are untested and there is no certainty as to how they will be applied, and are subject to change. There can be no assurance that Stock Connect will not be abolished or amended. The Target Fund which invest in the PRC markets through Stock Connect may be adversely affected as a result of such changes.

- ***Taxation risk***

PRC tax authorities announced temporary tax exemptions on capital gains realised by non-PRC investors on trading of Eligible Securities via the QFI regime and Stock Connect. However, there is no guarantee that such temporary tax exemptions will be granted or will continue to apply, will not be repealed or re-imposed retrospectively, or that no new tax regulations and practice relating to the QFI regime and Stock Connect will be promulgated in future. The Target Fund may be subject to uncertainties in its PRC tax liabilities where it invests through the QFI regime and Stock Connect.

- ***Risks associated with the ChiNext market and/or the Science and Technology Innovation Board (STAR Board)***

The Target Fund may invest in the ChiNext market and/or STAR Board via Stock Connect. Investments in the ChiNext market and/or STAR Board may result in significant losses for the Portfolio and its investors. The following additional risks apply:

- Higher fluctuation on stock prices and liquidity risk: Companies listed on the ChiNext market and/or STAR Board are usually of an emerging nature, with a smaller operating scale. Listed companies on ChiNext market and STAR Board are subject to wider price fluctuation limits, and due to higher entry thresholds for investors may have limited liquidity, compared to other boards. Hence, they are subject to higher fluctuation in stock prices and liquidity risk and have higher risks and turnover ratios than companies listed on the main board.
- Over-valuation risk: Stocks listed on the ChiNext market and/or STAR Board may be overvalued and such exceptionally high valuation may not be sustainable. Stock prices may be more susceptible to manipulation, due to the relatively smaller number of shares in such companies in circulation.
- Differences in regulations: The rules and regulations regarding companies listed on the ChiNext market and/or STAR Board are less stringent in terms of profitability and share capital than those regarding the main board.
- Delisting risk: It may be more common and faster for companies listed on ChiNext market and/or STAR Board to delist. If companies that the Target Fund has invested in delist, it may have an adverse impact on the Target Fund.
- Concentration risk: STAR Board is a newly established board and may have a limited number of listed companies during the initial stage. Investments in STAR Board may be concentrated in a small number of stocks and subject the Target Fund to a higher concentration risk.

Taxation in the PRC – investment In PRC equities

The Target Fund's direct investment in China A Shares and China-incorporated ETFs (through Stock Connect) and China B shares is subject to PRC tax regulations. A Portfolio's investment in equity linked products may also be indirectly affected by any taxation levied against the relevant QFI, issuers or sponsors. The PRC taxation regime that will apply to Stock Connect, QFI and investments through the QFI regime has some uncertainties. It should be noted that the position with regard to PRC taxation of the Target Fund and its gains and profits in respect of such investments remains unclear in some aspects.

Tax regulations in the PRC are subject to change, possibly with retroactive effect. Changes in PRC tax regulations could have a significant adverse effect on the Target Fund and its investments, including reducing returns, reducing the value of the Target Fund's investments and possibly impairing capital invested by the Target Fund.

- ***Corporate Income Tax ("CIT") law***

If the Target Fund Company or the Target Fund is considered a tax resident enterprise of the PRC, it will be subject to PRC CIT at 25% on its worldwide taxable income. If the Target Fund Company or the Target Fund is considered a non-tax resident enterprise with a permanent establishment or place or establishment of business ("PE") in the PRC, the profits attributable to that PE would be subject to CIT at 25%.

Under the PRC CIT Law effective from 1 January 2008, a non-PRC tax resident enterprise without a PE in the PRC will generally be subject to PRC withholding income tax ("WIT") of 10% on its PRC sourced income, including but not limited to passive income (e.g. dividends, interest) and gains arising from transfer of assets, etc., unless it is exempt or reduced under specific PRC tax circulars or relevant tax treaty.

The relevant portfolio manager intends to manage and operate the Target Fund Company or the Target Fund in such a manner that the Target Fund Company or the Target Fund should not be treated as a tax resident enterprise of the PRC or a non-PRC tax resident enterprise with a PE in the PRC for CIT purposes, although due to uncertainty in tax laws and practices in the PRC, this result cannot be guaranteed.

Although the CIT regulations aim to clarify the application of certain rules under the CIT Law, significant uncertainties remain. Such uncertainties may prevent the Target Fund from achieving certain tax results sought when structuring its investments in the PRC.

(i) Dividend and fund distribution

Under the current PRC CIT Law, non-PRC tax resident enterprises without a PE in the PRC are subject to WIT on cash dividends, fund distributions and bonus distributions from PRC tax resident enterprises. The general WIT rate applicable is 10%, subject to reduction under an applicable double tax agreement/arrangement by the PRC tax authorities.

- For dividends received by non-PRC tax residents from China A Shares and China B Shares, the entity distributing such dividends is obligated to withhold the WIT.
- For dividends and distributions received by non-PRC tax residents from China-incorporated ETFs traded via the QFI regime, in practice, non-PRC tax residents are required to self-report the under-withheld WIT to the PRC tax bureau, given that such WIT is commonly not withheld.
- For dividends and distributions received by non-PRC tax residents from China-incorporated ETFs traded via Stock Connect, the 10% WIT should be withheld by the underlying PRC listed companies in the investment portfolio of China-incorporated ETFs according to Circular [2022] No. 24 ("Circular 24") jointly issued by the PRC Ministry of Finance ("MOF"), the State Taxation Administration ("STA") and CSRC.

(ii) Capital gain

Based on the CIT Law and its Implementation Rules, "income from the transfer of property" sourced from the PRC by non- PRC tax resident enterprises without a PE in the PRC should be subject to 10% WIT unless exempt or reduced under specific PRC tax circulars or an applicable tax treaty agreement/arrangement by the PRC tax authorities.

- ***Trading of PRC equity investments including China A Shares and China B Shares and China-incorporated ETFs through QFI and Stock Connect***

Under Circular Caishui [2014] no. 79 jointly issued by the MOF, the STA and the CSRC on 14 November 2014 ("Circular 79"), effective from 17 November 2014, QFI shall be temporarily exempted from the WIT on capital gains derived from trading China A Shares, China B Shares and other PRC equity investments; however, QFI shall be subject to WIT on capital gains obtained before 17 November 2014 pursuant to the laws. Practically, the above PRC equity investments are interpreted by PRC tax authorities to include China-incorporated ETFs.

According to Circular Caishui [2014] No. 81 ("Circular 81") and Circular Caishui [2016] No. 127 ("Circular 127"), both jointly issued by MOF, STA and CSRC, capital gains derived by overseas investors from the trading of China A Shares via Shanghai Stock Connect and Shenzhen Stock Connect are temporarily exempt from WIT.

According to Circular 24, capital gains derived by overseas investors from the trading of China-incorporated ETFs via Shanghai Stock Connect and Shenzhen Stock Connect are temporarily exempt from WIT.

It is uncertain how long these temporary exemptions will last, whether any of them will be repealed and whether any tax will be re-imposed retrospectively.

- ***Trading of China B Shares except through the QFI regime***

Under the current PRC CIT regulations, there are no specific rules or regulations governing the taxation of the disposal of China B Shares except through the QFI regime. Hence, the tax treatment for investment in such securities is governed by the general tax provisions of the CIT Law. Under such general tax provisions, a Portfolio could be technically subject to a 10% WIT on the PRC sourced capital gains (except through the QFI regime), unless exempt or reduced under laws and regulations or the relevant double tax treaties.

However, in practice, the PRC tax authorities have not actively enforced WIT on gains realised by non-resident enterprises from the disposal of China B Shares of PRC enterprises whereby both the purchase and sale of such shares are conducted on public stock exchanges.

In light of the above circulars as well as the current practice, (i) the Target Fund has ceased withholding 10% of realised and unrealised gains on its investments linked to China A Shares, China B Shares and other PRC equity interest investment traded via the QFI regime as a tax provision from 17 November 2014, on the basis that any gains realised from 17 November 2014 onwards will be temporarily exempted from WIT; (ii) the amount of tax provision for unrealised gains on the Target Fund's investments linked to China A Shares, China B Shares and other PRC equity interest investments traded via the QFI regime withheld by the Target Fund as a tax provision up to 17 November 2014 has been released to the Target Fund; and (iii) the amount withheld up to 17 November 2014 as a tax provision with respect to realised gains on its investments linked to China A Shares, China B Shares and other PRC equity interest investments traded via the QFI regime has been applied to pay for the relevant PRC tax liabilities and any remaining balance has been released back to the Target Fund as other income. The Target Fund will generally continue to make a provision for WIT of 10% on dividend income received from PRC investee companies and distribution income received from China-incorporated ETFs in case such WIT is not withheld at source. With respect to Stock Connect, as a result of Circular 81, Circular 127 and Circular 24, the Target Fund will not make any PRC WIT provision for realised and unrealised gains derived from trading China A Shares and China-incorporated ETFs under Stock Connect until and unless a tax provision is required by any further guidance issued by the PRC tax authorities, which may have a substantial negative impact on the NAV of the Target Fund.

In the event that any relevant exemption is not granted or is revoked or repealed, the Manager may, in its discretion, make additional tax provision on the relevant gains or income and withhold tax for the account of the Target Fund.

- ***Value-added Tax ("VAT") and Other Surcharges***

According to Circular Caishui [2016] No.36 ("Circular 36"), the pilot program of the collection of value-added tax ("VAT") in lieu of business tax has been launched nationwide in the PRC in a comprehensive manner as of 1 May 2016 and all taxpayers of business tax are included in the scope of the pilot program with regard to VAT liabilities instead of business tax liabilities.

Gains derived from trading of marketable securities are generally subject to VAT at 6% on net gains (i.e. gains offset against losses). However, Circular 36, Circular Caishui [2016] No.70, Circular 81 and Circular 127 specifically provide that gains derived by (a) QFI from the trading of marketable securities (including China A Shares and China B Shares) in the PRC, or (b) overseas investors (including entities and individuals) from trading of China A Shares and China-incorporated ETFs through Stock Connect are temporarily exempted from VAT.

In addition, deposit interest income is not subject to VAT. Dividend income or profit distributions on equity investment and fund distributions derived from Mainland China are also not included in the taxable scope of VAT.

Under the current VAT regulations, there are no specific rules or regulations governing the taxation for the gains derived from trading of China B Shares except through the QFI regime. Hence, the tax treatment for investment in such securities is governed by the general VAT regulations. Under such general VAT provisions, a Portfolio could be technically subject to a 6% VAT on gains derived from the trading of China B Shares (except through the QFI regime). However, the PRC tax authorities have not actively collected VAT from non-PRC tax resident enterprises on gains realised from China B Shares whereby both the purchase and sale of such shares are conducted on public stock exchanges in practice.

Before 1 September 2021, urban maintenance and construction tax (currently at the rate ranging from 1% to 7%), educational surcharge (currently at the rate of 3%) and local educational surcharge (currently at the rate of 2%) (collectively referred to as "local surcharges") were imposed based on the VAT liabilities.

Pursuant to the PRC Urban maintenance and construction tax ("UMCT") Law and Public Announcement [2021] No. 28 ("Circular 28") issued by the MOF and the STA which both took effect on 1 September 2021, local surcharges are no longer imposed on the amount of VAT payable for the services (including financial services) provided by overseas entities.

Taking into account of the current VAT regulations, the relevant portfolio manager would not make VAT provision for gross realised or unrealised gains derived by the relevant Portfolios from trading of China A Shares, China B Shares and other China equity investments via the QFI regime or Stock Connect and trading of China-incorporated ETFs via Stock Connect.

- ***Stamp Duty ("SD")***

SD under the PRC laws generally applies to the execution and receipt of all taxable documents listed in the PRC SD law. SD is generally imposed on the seller for the sale of shares of Chinese companies listed on the PRC stock exchanges at a rate of 0.1% of the sales consideration.

- ***Change in Tax Policy or Regulation***

There is no guarantee that the temporary tax exemption with respect to QFI and Stock Connect described above will continue to apply, will not be repealed and re-imposed retrospective, or that no new tax regulations and practice in PRC specifically relating to the QFI and Stock Connect will not be promulgated in the future. Such uncertainties may operate to the advantage or disadvantage of shareholders and may result in an increase or decrease in NAV of the Target Fund.

In the event that any relevant exemption is not granted or is revoked or repealed, the relevant portfolio manager may, in its discretion, make additional tax provision on the relevant gains or income and withhold tax for the account of the Target Fund.

Russian investment risk

Investors should note that there are significant risks inherent where the Target Fund invests in Russia. These risks include: delays in settling transactions and the risk of loss arising out of Russia's system of securities registration and custody; the lack of corporate governance provisions, under-developed or non-existent rules regarding management's duties to shareholders, and the lack of general rules or regulations relating to investor protection or investments; pervasiveness of corruption, insider trading and crime in the Russian economic system; difficulties associated in obtaining accurate market valuations of many Russian securities, based partly on the limited amount of publicly available information; the risk of imposition of arbitrary or onerous taxes due to tax regulations that are ambiguous and unclear; the general financial condition of Russian companies, which may involve particularly large amounts of inter-company debt; banks and other financial systems are not well developed or regulated and as a result tend to be untested and have low credit ratings; the lack of local laws and regulations that prohibit or restrict a company's management from materially changing the company's structure without shareholder consent; difficulties involved with seeking redress in a court of law of breach of local laws, regulations or contracts, arbitrary and inconsistent application of laws and regulations by courts; the risk of further economic and political sanctions being imposed against Russia, Russian issuers of securities or individuals in Russia may compromise the ability of a Portfolio to pursue its investment objectives or may adversely affect the value of Russian investments which the Target Fund holds; and the risk that the government of Russia or other executive or legislative bodies may decide not to continue to support the economic reform programs implemented since the dissolution of the Soviet Union.

Securities in Russia are issued only in book entry form and ownership records are maintained by registrars who are under contract with the issuers. The registrars are neither agents of, nor responsible to, the Depositary or its local agents in Russia. Transferees of securities have no proprietary rights in respect of securities until their name appears in the register of holders of the securities of the issuer. The law and practice relating to registration of holders of securities are not well developed in Russia and registration delays and failures to register securities can occur. Although Russian sub-custodians will maintain copies of the registrar's records ("Extracts") on its premises, such Extracts may not, however, be legally sufficient to establish ownership of securities. Furthermore, a quantity of forged or otherwise fraudulent securities, Extracts or other documents are in circulation in the Russian markets and there is therefore a risk that the Target Fund's purchases may be settled with such forged or fraudulent securities. In common with other Emerging Market Countries, Russia has no central source for the issuance or publication of corporate actions information. The Depositary therefore cannot guarantee the completeness or timeliness of the distribution of corporate actions notifications.

Investments in securities listed or traded in Russia will only be made in securities that are listed or traded on the Moscow Exchange.

LIQUIDITY RISKS

Liquidity risk
Under certain market conditions, such as decreased trading volume, increased price volatility, concentrated trading positions, limitations on the ability to transfer or liquidate positions and changes in industry or changes in government regulations, or when trading in a financial market is otherwise impaired, the liquidity of the Target Fund 's investments (and thereby the liquidity of the Target Fund itself) may be reduced.

Under the aforementioned market conditions, Portfolios may be unable to dispose of certain of its investments, including longer-term or lower credit quality investments, which may adversely affect its ability to meet redemption requests or further negatively impact the overall liquidity of the portfolio, if more liquid assets are sold to meet redemptions. In addition, such circumstances may force the Target Fund to dispose of their investments at reduced prices, thereby adversely affecting the Target Fund's performance.

This situation could be worsened where other market participants are seeking to dispose of similar investments at the same time and the Target Fund may ultimately be unable to sell such investments readily at a favourable time or price or at prices approximating those at which the Portfolio values them at that time, potentially incurring substantial losses.

Furthermore, certain segments of global fixed income markets may experience periods of lower liquidity caused by market events or large sales and raise the risk that securities or other fixed-income instruments cannot be sold during those periods or can only be sold at reduced prices. Those events may challenge affected Portfolios to meet significant volumes of redemption requests and may also influence the value of the relevant Portfolios, as the lower liquidity may be reflected in a reduction in the value of the Target Fund ' assets.

Investments suffering from a lack of market liquidity may be subject to wide fluctuations in market value and it may be difficult for the Target Fund to value such investments accurately. Illiquid investments may also entail transaction costs that are higher than those for more liquid investments.

The Target Fund Company is an investment company with variable capital due to its ability to issue and redeem shares on demand. The share capital of the Target Fund Company is divided into different series of shares with each series of shares representing a separate investment portfolio of assets. The Portfolios manage capital in accordance with the UCITS Regulations and the investment objectives and policies applicable to such Target Fund as specified in Target Fund Prospectus and the relevant supplement.

The Target Fund are not subject to externally imposed capital requirements. While the Target Fund invest in transferable securities and other liquid financial assets, the Target Fund Investment Manager also employs an appropriate liquidity risk oversight process, which takes into account efficient portfolio management transactions employed by the Target Fund, in order that the Target Fund is able to comply with its stated redemption terms and conditions.

In order to mitigate potential liquidity risks, the Target Fund Investment Manager tailors its controls to different investment strategies, liquidity terms and historic client behaviour. As part of its risk oversight, the Target Fund Investment Manager may employ various liquidity tests, the results of which may lead to a variety of possible solutions, including adjusting asset composition, drawing on applicable overdraft or credit facilities or taking other appropriate actions that would maintain an acceptable level of liquidity. The Target Fund specific arrangements will be reviewed by the Target Fund Investment Manager's risk function, portfolio managers of the Target Fund, Chief Investment Officer of the Target Fund Investment Manager as well as the board of directors of the Target Fund Investment Manager and the directors of the Target Fund Investment Manager. The Target Fund Investment Manager's risk team stress-tests the Target Fund on a regular basis in the context of portfolio composition and current/potential market conditions. Stress scenarios are run at different hypothetical redemption levels and the ability of the Target Fund to meet redemption requests in an orderly fashion at these levels are evaluated. Should analysis reveal that any of the Target Fund have low liquidity coverage ratios, conversation and steps are taken by the Target Fund Investment Manager's risk team and the portfolio team to evaluate these risks and the best way to mitigate them. In addition, daily liquidity buffer reports are monitored to gauge the liquidity risk of the Target Fund. Furthermore, market liquidity factors are monitored in order to capture potential anomalies in market liquidity.

The Target Fund Investment Manager, the Target Fund Sub-Investment Managers and the Target Fund Company seek to ensure that adequate liquidity exists in the Target Fund to provide for shareholder redemptions in normal market conditions and normal levels of redemptions. However, it is possible that in the type of circumstances described above, the Target Fund may not be able to realise sufficient assets to meet all redemption requests that it receives or the Target Fund Company may determine that the circumstances are such that meeting some or all of such requests is not in the best interests of the shareholders in the Target

Fund as a whole. In such circumstances, the Target Fund Investment Manager may take the decision to apply the redemption gate provisions described under "Information Specific to Redemptions" in the "Subscriptions and Redemptions" section of the Target Fund Prospectus or suspend dealings in the Target Fund as described in the "Temporary Suspension of Dealings" section of the Target Fund Prospectus.

Substantial subscriptions and redemptions
In the event that the Target Fund receives a substantial subscription in respect of a dealing day, the Target Fund Investment Manager may not be able to make arrangements to invest all of the net subscription proceeds on or before the relevant dealing day. To the extent that the Target Fund's assets are not invested on the relevant dealing day, this could have a negative impact on the performance of the Target Fund, as the Target Fund's exposure to its relevant targeted investments will be reduced in respect of the portion of its assets held in cash or other liquid assets.

Similarly, in the event that the Target Fund receives substantial redemption requests in respect of a dealing day, the Target Fund Investment Manager may not be able to make arrangements to realise sufficient assets of the Target Fund to meet such redemption requests on or before the relevant dealing day or may not be able to do so in such a manner as to protect the best interests of all of the shareholders of the Target Fund. In seeking to meet such requests, the Target Fund Investment Manager will have to balance the competing interests of the redeeming investor to receive their redemption proceeds in accordance with the Target Fund Company's redemption policy (as described in the "Subscriptions and Redemptions" section) and those of the remaining investors in the Target Fund to minimise the impact and potential for current and future losses to the Target Fund through selling a large proportion of the Target Fund's assets in a short space of time. In this respect, investors should note that the directors of the Target Fund Company have certain abilities to calculate the NAV of shares in the Target Fund using "swing pricing" and/or apply duties and charges to the NAV which redeeming investors receive in order to prevent the dilution of the Target Fund's assets. In certain circumstances, in accordance with the Articles and as disclosed in the "Subscriptions and Redemptions" and "Temporary Suspension of Dealings" sections, the Target Fund Investment Manager may also apply a redemption gate or suspend dealings in the Target Fund.

Swing pricing
As described in the "Determination of Net Asset Value" section, the Target Fund Investment Manager may, where it so determines, "swing" the NAV of the Target Fund to attempt to mitigate the potentially dilutive effects of dealing on the NAV on any dealing day on which there are net subscriptions or redemptions in the Portfolio above a certain predefined threshold of the Target Fund. In such cases, investors should be aware that swing pricing may not always prevent the dilution of the NAV through dealing costs and the adjustments made to the NAV may also benefit certain investors relative to the shareholders in the Target Fund as a whole. For example, a subscriber into the Target Fund on a day on which the NAV is swung downwards as a result of net redemptions from the Target Fund may benefit from paying a lower NAV per share in respect of his subscription than he would otherwise have been charged. In addition, the Target Fund's NAV and short-term performance may experience greater volatility as a result of this valuation methodology. The application of swing wricing may also increase the variability of a Target Fund's returns.

Credit facilities
In order to assist in facilitating the prompt payment of redemption proceeds on behalf of the Target Fund, the Target Fund Company has entered into an agreement (and may enter into additional agreements) whereby a syndicate of lenders agrees to provide a credit facility to the Target Fund Company. Any such credit facility will provide for a standing fee which will be payable by the Target Fund Company in return for the lenders making the facility available to the Target Fund Company and will also provide for the payment of interest and other charges in the event that the Target Fund Company or the Target Fund accesses the facility. The costs of accessing the facility will be borne by the Target Fund but the standing fee will be borne pro rata by the Target Fund Company as a whole, notwithstanding that the Target Fund may never access the facility. When accessing the facility, the directors of the Target Fund Company shall inform and, where appropriate, consult with the Depositary.

Any credit facility provided to the Target Fund Company may be secured by all or any portion of the Target Fund Company's assets and a secured creditor to the Target Fund Company may take commercial steps in its own interest, such as requiring repayment of all or part of a loan at a time that may not be desirable for the Target Fund Company. Any such actions may also have a material adverse effect on the Target Fund Company or the Target Fund. In addition, actions taken by the Target Fund Company which result in adverse performance or diminution in value of the Target Fund Company's or the Target Fund's assets could cause the Target Fund Company or the Target Fund to be in default, or to take certain actions to avoid being in default, in connection with a credit facility. This could have a material adverse effect on the Target Fund Company and the Target Fund. In the event of the winding up of the Target Fund Company, secured amounts owed to third-party credit facility providers will be paid out in priority over the payment of proceeds to shareholders.

General suspension risk
Securities of issuers traded on exchanges may be suspended, either by the issuers themselves, by an exchange or by government authorities. The likelihood of such suspensions may be higher for securities of issuers in emerging or less-developed market countries than in countries with more developed markets. Trading suspensions may be applied from time to time to the securities of individual issuers for reasons specific to that issuer, or may be applied broadly by exchanges or governmental authorities in response to market events. Suspensions may last for significant periods of time, during which trading in the securities and instruments that reference the securities, such as participatory notes (or "P-notes"), may be halted. In the event that the Target Fund holds material positions in such suspended securities or instruments, the Target Fund's ability to liquidate its positions or provide liquidity to investors may be compromised and the Target Fund could incur significant losses.

FINANCE RELATED RISKS

Fees and expenses
Whether or not the Target Fund is profitable, it is required to pay fees and expenses including organisation and offering expenses, brokerage commissions, management, administrative and operating expenses and custodian fees. A portion of these expenses may be offset by interest income.

Seed investment
As part of its launch, the Target Fund may receive a subscription from an Affiliate as a seed investment, which may be substantial. Investors wishing any further information in respect of any such subscription should contact the Target Fund Investment Manager. Investors should be aware that the Affiliate may i) hedge any of its investments in whole or part (i.e., reducing the Affiliate's exposure to the performance of the Target Fund) and ii) redeem its investment in the Target Fund at any time, without notice to shareholders and that the Affiliate is not under any obligation to take the interests of other shareholders into account when making its investment decisions. As any large redemption from the Target Fund will have the indirect effect of increasing the proportion of the Target Fund's costs that the remaining shareholders will have to bear, shareholders should note that any redemption of its seed money by the Affiliate may have a negative effect on the value of their investment.

Incentives arrangements
The incentive arrangement involves the payment of performance fees and could create an incentive for the Target Fund Investment Manager and the Target Fund Sub-Investment Managers to select riskier or more speculative trades than would be the case in the absence of such an arrangement. The payment of the performance fee will be based on performance which may include investment income and net realised and net unrealised gains and losses as at the end of each calculation period. As a result, payments of performance fees may be made in respect of unrealised gains which may subsequently never be realised.

Foreign taxes
The Target Fund Company may be liable to taxes (including withholding taxes) in countries other than Ireland on income earned and capital gains arising on its investments. The Target Fund Company may not be able to benefit from a reduction in the rate of such foreign tax by virtue of the double taxation treaties between Ireland and other countries. The Target Fund Company may not, therefore, be able to reclaim any foreign withholding tax suffered by it in particular countries. If this position changes and the Target Fund Company obtains a repayment of foreign tax, the NAV of the Target Fund Company will not be restated and the benefit will be allocated to the then-existing shareholders rateably at the time of repayment.

FATCA
The Target Fund Company will require shareholders to certify information relating to their status for FATCA purposes and to provide other forms, documentation and information in relation to their FATCA status. The Target Fund Company may be unable to comply with its FATCA obligations if shareholders do not provide the required certifications or information. In such circumstances, the Target Fund Company could become subject to US FATCA withholding tax in respect of its US source income if the US Internal Revenue Service specifically identified the Target Fund Company as being a 'non-participating financial institution' for FATCA purposes. Any such US FATCA withholding tax would negatively impact the financial performance of the Target Fund Company and all shareholders may be adversely affected in such circumstances.

Future developments potentially impacting taxation of shareholders
There are a number of national and international tax initiatives currently in progress which could, if enacted, impact the Target Fund Company, the Target Fund and/or shareholders in the future. At this time, it cannot be predicted whether these tax initiatives will be enacted, and, if enacted, what their form will be and how they will impact the Target Fund Company, the Target Fund or shareholders. As a result, shareholders should consult their own tax advisors regarding the possible implications of any such future developments on their investments in the Target Fund.

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. Please consult professional advisers for a better understanding of the risks.

2. TARGET FUND INFORMATION

2.1. ABOUT NEUBERGER INVESTMENT FUNDS PLC

Neuberger Investment Funds plc (the “NIF”), an investment company with variable capital incorporated in Ireland as a public limited company. NIF is constituted as an umbrella fund with segregated liability between sub-funds, which includes the Target Fund. NIF is authorised by the Central Bank of Ireland as an UCITS under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 1989.

The directors of NIF are responsible for the overall management and control of NIF. The directors of NIF review the operations of NIF at their regular meetings. The directors of NIF have appointed the Target Fund Investment Manager to provide the day-to-day management of NIF's business affairs and have for this purpose, delegated certain of their duties and powers to the Target Fund Investment Manager. The directors of NIF will receive periodic reports from the Target Fund Investment Manager detailing, inter alia, its review of the performance of NIF and the Target Fund and providing an analysis of their respective investment portfolios. The Target Fund Investment Manager will also provide such other information as may from time to time be reasonably required by the directors of NIF for the purposes of such meetings. The directors of NIF have appointed the Depositary in respect of the safekeeping of NIF’s assets.

NIF has appointed Neuberger Asset Management Ireland Limited to act as its management company pursuant to the management agreement dated 30 June 2021 (“Target Fund Investment Manager”). The Target Fund Investment Manager, subject to the overall responsibility and supervision of the directors of NIF, is responsible for portfolio and risk management services, administrative services, marketing services and certain distribution services to NIF and the Target Fund and, more generally, is responsible for the day-to-day management of the business affairs of NIF. The Target Fund Investment Manager is responsible for ensuring NIF’s compliance with the UCITS Regulations, including the investment and reinvestment of the Target Fund's assets, having regard to the investment objective and policies of the Target Fund.

In accordance with the UCITS Regulations and with the prior approval of NIF, the Target Fund Investment Manager has delegated certain of its duties and powers, namely (a) the administration of NIF’s affairs, including responsibility for the preparation and maintenance of NIF’s records and accounts and related fund accounting matters (including the calculation of the NAV per share) and shareholder registration and transfer agency services to the Administrator; (b) the investment, management and disposal of some or all of the assets of the Target Fund to the Target Fund Sub-Investment Managers; and (c) the marketing, distribution and sale of shares of the Target Fund to the distributors, with the power to sub-delegate these responsibilities to such companies or persons as it may from time to time determine in accordance with the requirements of the Central Bank of Ireland. The Target Fund Investment Manager is a private limited liability company, incorporated under registration number 629805 on 5 July 2018 under the laws of Ireland. The Target Fund Investment Manager is a subsidiary of Neuberger Group LLC, a management-controlled company. The Target Fund Investment Manager is authorised by the Central Bank of Ireland to carry on the regulated activity of managing UCITS for the purposes of the UCITS Regulations.

The Target Fund Investment Manager has appointed Neuberger Europe Limited, Neuberger Asia Limited and Neuberger Investment Advisers LLC as sub-investment manager in respect of the Target Fund (“Target Fund Sub-Investment Manager”) to, inter alia, provide investment management and advisory services to the Target Fund. Neuberger Europe Limited and Neuberger Investment Advisers LLC are registered as investment advisers with the Securities and Exchange Commission in the United States and are wholly-owned indirect subsidiaries of Neuberger Group LLC. Neuberger Asia Limited is regulated by the Securities and Futures Commission of Hong Kong.

The Target Fund Investment Manager has appointed Brown Brothers Harriman Fund Administration Services (Ireland) Limited to act as administrator of NIF (“Administrator”) responsible for performing the day-to-day administration of NIF and for providing fund accounting for NIF, including the calculation of the NAV of NIF, and for providing registrar, transfer agency and related support services to NIF. The Administrator was incorporated with limited liability in Ireland on 29 March 1995 under registration number 231236.

NIF has appointed Brown Brothers Harriman Trustee Services (Ireland) Limited to act as depositary (“Depositary”) for the safekeeping of all the investments, cash and other assets of NIF and to ensure that the issue and repurchase of shares by NIF and the calculation of the NAV and NAV per share is carried out and that all income received and investments made are in accordance with the articles of association of NIF and the UCITS Regulations. In addition, the Depositary is obliged to enquire into the conduct of NIF in each financial year and report thereon to shareholders. The Depositary is a private limited company incorporated under the laws of Ireland to provide custody and trustee services to Irish domiciled CIS and to international and Irish institutions.

This Prospectus describes the features of the Target Fund in accordance with the Target Fund Prospectus and we recommend this document should be read in conjunction with the Target Fund Prospectus. We have taken the necessary measures to ensure the accuracy and consistency of information disclosed in this Prospectus in relation to the Target Fund. In the event of any inconsistency or ambiguity in relation to any word or phrase used in this Prospectus regarding the Target Fund as compared to the Target Fund Prospectus, the Target Fund Prospectus shall prevail. (Note: For more information about the Target Fund Prospectus, please refer to the website at www.nb.com)

2.2. ABOUT NEUBERGER NEXT GENERATION CONNECTIVITY FUND ("TARGET FUND")

Investment Objective
The Target Fund aims to achieve a target average return of 3-5% over the benchmark (as specified in the "*Benchmark*" section below) before fees over a market cycle (typically 3 years) from investing primarily in a portfolio of global equity holdings, focusing on companies that are involved or derive benefit from Next Generation Connectivity (as defined below).

Next Generation Connectivity refers to a thematic investment scope encompassing companies across the globe that are enablers of, or significant beneficiaries from the development and enhancement of mobile internet, network infrastructure, artificial intelligence, technological innovations, and the broader ecosystems that support next-generation communication and connectivity standards.

The investment universe for this theme is structured around, but not limited to the following:

1. Network infrastructure: Companies involved in the development, deployment, and maintenance of the hardware, software, and critical infrastructure required to facilitate advanced connectivity. This could include semiconductors, base stations, data centres etc.
2. Connected devices: Companies engaged in the design and manufacture of devices, including Internet of Things (IoT) technologies and hardware that are reliant upon or designed to leverage next-generation connectivity standards. This could include components, sensors, displays, mobile devices etc.
3. Applications & Services: Companies deriving growth from the development of software, platforms, and services that utilize or are enabled by high-speed, low-latency, connectivity to deliver value-added capabilities. This could include enterprise software, cybersecurity, e-commerce etc.

Investors should note that the target return is not guaranteed over a market cycle, a 12-month or any period and the Target Fund's capital is at risk. Investors should also note that, over the course of a market cycle, there may be significant periods of time during which the performance of the Target Fund will deviate from the targeted return and the Target Fund may experience periods of negative return. There can be no guarantee that the Target Fund will ultimately achieve its investment objective.

Investment Approach
The Target Fund will seek to achieve its objective by primarily investing in equity securities that are listed or traded on recognised markets globally (which may include Emerging Market Countries) and issued by companies across all market capitalisations and economic sectors. The Target Fund may invest in companies of any market capitalisation but shall typically invest in companies that have market capitalisation greater than USD 500 million at time of purchase.

In seeking to achieve the Target Fund's investment objective, the Target Fund Sub-Investment Manager pursues the following investment process (which is described in further detail below) to identify a universe of companies that offer exposure to the development and enhancement of next generation connectivity ("Next Generation Connectivity"):

- Qualitative business analysis: to identify companies which are key enablers of Next Generation Connectivity, as well as companies that are well-positioned to benefit from the new business models related to Next Generation Connectivity (for example, autonomous vehicles or smart home technology);
- Quantitative screening: to identify stocks that it believes may be too illiquid or have too small a market capitalisation;
- Strategic valuation and analysis: in-depth research and analysis of companies, including of company/business models, quality of management, competitive strength and record of success which is determined by reference to existing financial data (e.g., market share data); and
- Security selection and portfolio construction: selects companies with the ability to provide solutions to drive Next Generation Connectivity that it believes have 50% - 100% capital appreciation potential over three to five years and determine entry and exit price targets based on current market prices for the securities and the preceding analysis, that guide buy and sell decisions.

Using this universe, the Target Fund Sub-Investment Manager further evaluates those companies, seeking to identify companies who are leaders in their industries. The Target Fund Sub-Investment Manager believes that the companies who are leaders in their industries are identified through the quality of their product, technology, processes and market access. The Target Fund Sub-Investment Manager will review the financial position and results of the companies. In-person management meetings, where possible, are then conducted with members of senior management of the relevant companies to assess financial and operating metrics (e.g. sales growth and product offering) and the quality of the company's management team.

The fundamental research seeks to identify companies with the following characteristics:

- Stock prices which are undervalued relative to long-term cash flow growth potential;
- Industry leadership companies with high market share, pricing power, or better technology/business models relative to peers, or new entrants gaining market share;
- Potential for significant improvement in the company's business (e.g. top line growth greater than market/peers, margin expansion, and/or increased cash flow generation);
- Strong financial characteristics, including growth, margins, and/or capital returns and historic valuations on metrics such as price to cash flow, price to earnings or price to book value; and
- Proven management track record.

The Target Fund seeks to reduce risk by diversifying across countries and economic sectors. Although, it has the flexibility to invest a significant portion of its assets in one country or region, it generally intends to remain diversified across countries and geographical regions.

The Target Fund may invest directly in China A Shares through Stock Connect and through the qualified foreign investors ("QFI") regime, as described below.

The Target Fund may also invest in debt instruments and money market instruments on an ancillary basis.

The Target Fund is actively managed and does not intend to track the benchmark and is not constrained by it. The benchmark is included here for performance comparison purposes only. It is not expected that the majority of the Target Fund's assets will be components of the benchmark. While the Target Fund may acquire securities which are components of the benchmark, it will not do so because of their inclusion in the benchmark.

Benchmark
The MSCI All-Country World Index (ACWI) (Total Return, net of tax, USD) is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of developed and emerging markets.

Base Currency
USD

Distribution policy
The directors of NIF have determined to accumulate all net investment income and net realised capital gains attributable to the accumulating classes (including Class I3) and therefore do not intend to declare dividends.

Instruments / Asset Classes
The Target Fund can invest in or be exposed to the following types of assets.

- **Equity and Equity-linked Securities**. These securities may include, without limitation, common stock, preferred stock, convertible bonds, convertible preferred stock, American, European and Global Depository Receipts, which are securities issued by a financial institution which evidence ownership interests in a security or a pool of securities deposited with the financial institution and, subject to a limit of 10% of the Target Fund's NAV, recently issued securities of the types described above, which are unlisted but have been issued with an undertaking to apply for admission to listing on a recognised market within a year of issue.

- **Equity Real Estate Investment Trusts ("REITs")**. REITs are companies or trusts that pool investor money and invest mainly in income producing real estate, although it should be noted that the Target Fund will not acquire any real estate directly. REITs may invest in a diverse range of real estate properties or may specialise in a particular type of property. The REITs which the Target Fund will invest in may be based globally and will give exposure to underlying properties located in globally. They will invest the majority of their assets directly in real property and derive their income from rents and capital gains from appreciation realised through property sales. Exposure to REITs may also arise when the Target Fund Sub-Investment Manager identifies opportunities in such securities which are linked / support the evolution of Next Generation Mobility (such as data centre REITs).

- **Participatory Notes ("P-Notes")**. P-Notes are securities issued by banks or broker-dealers that are designed to replicate the performance of companies and markets (in which the Target Fund can invest directly) by giving exposure to the performance of specific stocks that the Target Fund may not be able to invest in directly because of local holding restrictions affecting such stocks in the jurisdiction of their issue. The Target Fund shall only invest in listed P-Notes for India.

- **CIS.** The Target Fund may invest in CIS (including ETFs which are structured as CIS) which are themselves exposed to investments that are similar to the Target Fund's other investments, provided that the Target Fund may not invest more than 10% of its NAV in other CIS which themselves may invest up to 10% of their NAV in other CIS. Such CIS may or may not be managed by the Target Fund Investment Manager and/or the Target Fund Sub-Investment Manager or its affiliates and will comply with the requirements of the UCITS Regulations in respect of such investments.

  The other CIS in which the Target Fund may invest will be eligible CIS in accordance with the Central Bank of Ireland's rules, which may be domiciled in Relevant Jurisdictions or the United States of America, will qualify as UCITS or AIF schemes and will be regulated as such by their home state regulator.

  CIS in which the Target Fund invests may be leveraged but such CIS will not generally be leveraged (i) in excess of 200% of their NAV; or (ii) so that their 1 day absolute value-at-risk exceeds 4.47% of their net asset value over a 250 day horizon with a 99% confidence level; or (iii) so that their 1 month relative value-at-risk exceeds twice the value-at-risk of a comparable benchmark portfolio over a 250 day horizon with a 99% confidence level, depending on how such collective investment funds measure their global exposure.

- **ETFs**. ETFs are investment funds whose shares are bought and sold on a securities exchange. ETFs invest in a portfolio of securities designed to track a particular market segment or index. The ETFs will be located in Relevant Jurisdictions and will be authorised under the UCITS Directive or will be alternative investment funds which are eligible for investment by the Target Fund in accordance with the requirements of the Central Bank of Ireland. The ETFs will represent investments that are similar to the Target Fund's other investments. The ETFs will operate on the principle of risk spreading and will not be leveraged.

- **Fixed Income Securities (Debt Securities)**. The Target Fund may invest in debt instruments, such as bonds and notes, issued by corporate or government issuers, which may be rated or unrated (although not more than 10% of NAV will be invested in debt instruments which are rated below investment grade) and may have fixed or floating interest rates and will not embed derivatives.

- **Money Market Instruments**. The Target Fund may invest in money market instruments, which may include bank deposits, fixed or floating rate instruments (including commercial paper), floating or variable rate notes, bankers acceptances, certificates of deposit, debentures and short-dated government or corporate bonds, cash and cash equivalents (including treasury bills), or money market funds which meet the criteria set out under "CIS" above, in each case that are rated as investment grade or below by Recognised Rating Agencies or are unrated. Investment grade securities are highly rated securities, generally those rated Baa3, BBB- or above by one or more Recognised Rating Agencies, while high yield securities are medium or lower rated securities, generally those rated below investment grade and sometimes referred to as "junk bonds".

- **Repo Contracts**. The Target Fund may use Repo Contracts subject to the conditions and limits set out in the Target Fund Prospectus.

Stock Connect
The China Securities Regulatory Commission and the Securities and Futures Commission of Hong Kong have an approved program which establishes mutual stock markets access between the PRC and Hong Kong, namely Stock Connect. The Target Fund Sub-Investment Manager may pursue the Target Fund's investment objective by investing up to 30% of the Target Fund's NAV directly in certain eligible China A Shares via Stock Connect.

The Shanghai Stock Connect is a securities trading and clearing linked program developed by the SEHK, the SSE and ChinaClear, with the aim of achieving mutual stock market access between the SEHK and the SSE. The Shenzhen Stock Connect is a securities trading and clearing linked program developed by the SEHK, the SZSE and ChinaClear, with the aim of achieving mutual stock market access between the SEHK and the SZSE.

Each of the Shanghai Stock Connect and Shenzhen Stock Connect comprises a Northbound Trading Link and a Southbound Trading Link. Under the Northbound Trading Link, Hong Kong and overseas investors (including the Target Fund, subject to its investment approach and restrictions), through their Hong Kong brokers and a securities trading service company established by the SEHK, may trade eligible securities listed on the SSE and the SZSE by routing orders to the SSE and the SZSE respectively.

<u>Eligible securities</u>
Among the different types of SSE-or SZSE-listed securities, only China A Shares and ETFs are currently permitted for Northbound trading under Stock Connect. Currently, Hong Kong and overseas investors are able to trade certain SSE Securities. Eligible Securities under the Northbound Trading Link of the Shanghai Stock Connect include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed China A Shares that are not included as constituent stocks of the relevant indices but which have corresponding China H Shares listed on the SEHK, except the following:
- SSE-listed shares which are not traded in CNY; and
- SSE-listed shares which are included in the "risk alert board".

Eligible securities under the Northbound Trading Link of the Shenzhen Stock Connect include any constituent stock of the SZSE Component Index and the SZSE Small/Mid Cap Innovation Index which has a market capitalisation of CNY6 billion or above and all SZSE-listed shares of companies which have issued both China A Shares and China H Shares, except the following:
- SZSE-listed shares which are not traded in CNY; and
- SZSE-listed shares which are included in the "risk alert board" or under delisting arrangement.

In addition, Hong Kong and overseas investors are able to trade eligible SSE-listed and SZSE-listed ETFs that satisfy the relevant criteria at a regular review and are accepted as eligible ETFs for Northbound trading under Stock Connect. Regular reviews will be performed to determine the eligible ETFs for Northbound trading every six months.

It is expected that the list of eligible securities will be subject to review and may change from time to time.

If an eligible security ceases to be classified as such, Hong Kong and overseas investors (including the Target Fund, subject to its investment approach and restrictions) will only be allowed to sell holdings of such eligible security but will be restricted from buying any more of such eligible security.

<u>Trading day</u>
Investors (including the Target Fund, subject to its investment approach and restrictions) are only allowed to trade through Stock Connect on days on which both markets are open for trading, and banking services are available in both markets on the corresponding settlement days.

<u>Trading quota</u>
Trading under Stock Connect is subject to the Daily Quota. Northbound trading through each Stock Connect is subject to a separate set of daily quota. The daily quota limits the maximum net buy value of cross-boundary trades under each Stock Connect

per day. The SEHK will monitor the quota and publish the remaining balance of the Northbound Daily Quota at scheduled times on the SEHK's website. The daily quota may change from time to time without prior notice and investors should refer to the SEHK's website and other information published by the SEHK for up-to-date information.

Settlement and custody
The HKSCC will be responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by Hong Kong market participants and investors.

The eligible securities traded through Stock Connect are issued in scripless form, so investors do not hold any physical securities. Hong Kong and overseas investors who have acquired eligible securities through Northbound trading should maintain the eligible securities with their brokers' or custodians' stock accounts with CCASS, operated by HKSCC.

Corporate actions and shareholders' meetings
Notwithstanding the fact that the HKSCC does not claim proprietary interests in the eligible securities held in its omnibus stock account in ChinaClear, ChinaClear as the share registrar for the Eligible Securities will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such eligible securities.

HKSCC monitors the corporate actions affecting eligible securities and keeps the relevant brokers or custodians participating in CCASS ("CCASS participants") informed of all such corporate actions that require CCASS participants to take steps in order to participate in them.

SSE and SZSE-listed companies usually announce their annual general meeting / extraordinary general meeting information about one month before the meeting date. A poll is called on all resolutions for all votes. HKSCC will advise CCASS participants of all general meeting details such as meeting date, time, venue and the number of resolutions.

Foreign shareholding restrictions
The CSRC stipulates that, when holding China A Shares through Stock Connect, Hong Kong and overseas investors are subject to the following shareholding restrictions:

- Single foreign investors' shareholding by any Hong Kong or overseas investor in a China A Share must not exceed 10% of the total issued shares; and
- Aggregate foreign investors' shareholding by all Hong Kong and overseas investors in a China A Share must not exceed 30% of the total issue shares.

Should the shareholding of a single investor in a China A Share listed company exceed the above restriction, the investor would be required to unwind his position on the excessive shareholding according to a last-in-first-out basis within a specific period. The SSE, the SZSE and the SEHK will issue warnings or restrict the buy orders for the related China A Shares if the percentage of total shareholding is approaching the upper limit.

SSE and SZSE-listed ETFs are not subject to the aforementioned shareholding restrictions.

Currency
Hong Kong and overseas investors will trade and settle Eligible Securities in CNY only. Hence, the Portfolio will need to use CNY to trade and settle Eligible Securities, subject to its investment approach and restrictions.

Trading fees and taxes
In addition to paying trading fees and stamp duties in connection with trading of eligible securities, the Target Fund may be subject to other fees and taxes concerned with income arising from transfers of stocks or ETFs (if applicable) which are determined by the relevant authorities.

Qualified Foreign Institutional Investors
The qualified foreign institutional investor program permits certain licensed international investors to participate in the People's Republic of China's ("PRC") mainland stock exchanges, allowing foreign investors access to the SSE and SZSE. Under this program, licensed investors can buy and sell CNY-denominated China A Shares, subject to specified quotas that determine the amount of money that the licensed foreign investors are permitted to invest in China's capital markets.

Neuberger Europe Limited received its QFI license on 3 May 2012.

Eligible securities
QFI permitted securities include CNY financial instruments in which QFI are allowed to invest from time to time and which may include (1) stocks, depository receipts, bonds, bond repurchases, and asset-backed securities traded or transferred on stock exchanges; (2) shares and other types of securities transferred on the National Equities Exchange and Quotations (NEEQ); (3) products and derivatives on bonds, interest rates and foreign exchange traded on the domestic inter-bank bond market which are deemed by People's Bank of China as eligible for QFI; (4) investment funds; and (5) other financial instruments as approved by the CSRC.

Trading day
Investors (including the Target Fund) are only allowed to trade through the QFI regime on days on which the relevant PRC markets are open for trading, and banking services are available on the corresponding settlement days.

Currency
Hong Kong and overseas investors will trade and settle eligible securities in CNY only. Hence, the Target Fund will need to use CNY to trade and settle eligible securities.

QFI status
Neuberger Europe Limited has obtained QFI status. However, under the relevant investment regulations, the QFI status of Neuberger Europe Limited could be suspended or revoked under certain circumstances where the PRC regulators have discretions. If the QFI status of the Target Fund Sub-Investment Manager is suspended or revoked, the Target Fund may be required to dispose of its securities held through the QFI and may not be able to access the Chinese securities market via the QFI as contemplated in the Target Fund Prospectus, which may have an adverse effect on the Target Fund's performance.

Moreover, the relevant investment regulations generally apply at the QFI level and not simply to investments made on behalf of the Target Fund. Thus, investors should be aware that violations of the relevant investment regulations arising out of activities through the QFI other than those conducted by the Target Fund could result in the revocation of or other regulatory action in respect of the QFI as a whole. The regulations relating to the investment restrictions in China A Shares are also generally applied at the QFI level (as discussed in detail below), and the Target Fund may also be impacted by the actions of other investors utilising the QFI status. Hence the ability of the Target Fund to make investments utilising the QFI status of Neuberger Europe Limited may be affected adversely by the investments of other investors utilising the QFI status of Neuberger Europe Limited.

Custody
China A Shares traded on the exchanges are dealt and held in dematerialised form through ChinaClear. Exchange-traded securities purchased on behalf of the Target Fund through the QFI are required to be recorded by ChinaClear as credited to a securities trading account maintained in the joint names of the QFI and the Target Fund Company (or such other account name as required by the relevant investment regulations which may reference also the Target Fund).

The Target Fund Company/the QFI expects to receive a legal opinion from a qualified PRC law firm confirming that, as a matter of PRC law, the QFI will have no ownership interest in the securities and that the Target Fund will ultimately and exclusively be entitled to ownership of the securities.

However, given that, pursuant to the relevant investment regulations, the QFI as account-holder will be the party entitled to the securities (albeit that this entitlement does not constitute an ownership interest or preclude the QFI purchasing securities on behalf of the Target Fund), the assets of the Target Fund may not be as well protected as they would be if it were possible for them to be registered and held solely in the name of the Target Fund Company (or the Target Fund). In particular, given that the QFI belongs to the Neuberger group, there is a risk that creditors of the Neuberger group may incorrectly assume, contrary to the legal opinion referred to, that the Target Fund's assets belong to the Neuberger group and such creditors may seek to gain control of the Target Fund's assets in lieu of such liabilities.

The evidence of title of exchange-traded securities in the PRC consists only of electronic book-entries in the depository and/or registry associated with the relevant exchange. These arrangements of the depositories and registries are new and not fully tested in regard to their efficiency, accuracy and security.

In order to prevent any trading failure, ChinaClear will automatically settle any trades executed by the PRC securities trading house relating to the securities trading account maintained in the joint names of the Target Fund Company (or the Target Fund) and the QFI. Accordingly all instructions issued by the PRC securities trading house relating to the securities trading account will be executed without the need of consent or direction of the Depositary.

Investment restrictions
Investments in the PRC securities market via the QFI are subject to compliance with certain investment restrictions imposed by the relevant investment regulations including the following, which apply to each foreign investor (including the Target Fund) investing through the QFI and will affect the Target Fund's ability to invest in China A Shares and carry out their investment objectives:

(i) shares held by each underlying foreign investor (such as the Target Fund) which invests (through QFI or other permissible channels) in one PRC listed company should not exceed 10% of the total shares of such company; and
(ii) aggregate China A Shares held by all underlying foreign investors (such as the Target Fund and all other foreign investors) which invest (through QFI or other permissible channels) in one PRC listed company should not exceed 30% of the total shares of such company.

Although it has not been explicitly provided under the relevant investment regulations, in practice, the 10% single foreign shareholding restriction is also applied at the QFI level, under which a QFI may not hold 10% or more shares of any listed company, regardless of the fact that such QFI is holding such shares for a number of different clients. Accordingly, as the QFI status of Neuberger Europe Limited is utilized by the Target Fund and other investors as well, the capability of the Target Fund to invest in the shares of certain listed company may be limited due to the investments in the shares of such listed company by other investors who also invest through the QFI status of Neuberger Europe Limited. Specifically, when the shareholding of such other investors in a PRC listed company reaches 10%, the Target Fund may not be able to buy any such shares, even if the then effective price of such shares is advantageous to the Target Fund.

Similarly, since the 30% aggregate foreign shareholding restriction is monitored at the level of all foreign investors, the capability of the Target Fund to invest in China A Shares of certain listed company may also be limited due to the investments made by other foreign investors.

Disclosure to CSRC
In practice, structured products issued by QFI to give foreign investors access to China A Shares are required to be reported to CSRC. The information reported may include information on the Target Fund as applicable.

Disclosure to the Exchange
According to the relevant investment regulations, where the SSE or the SZSE spots any abnormal trading which may affect the normal trading order, it may request the involved QFI to promptly report the securities transaction and shareholding information of the QFI's relevant underlying investors, which may include information on the Target Fund.

2.3. PERMITTED INVESTMENTS & INVESTMENT RESTRICTIONS OF THE TARGET FUND

The investment restrictions below are applicable to the Target Fund Company as a whole and must be complied with by the Target Fund.

2.3.1 INVESTMENT RESTRICTIONS OF THE TARGET FUND

1. The Target Fund may expose up to 10% of its NAV in aggregate to the performance of other CIS which will comply with both the "Investment Restrictions" section below and the UCITS Regulations.
2. The Target Fund may invest up to 10% of its NAV in fixed income securities.
3. The Target Fund may invest up to 30% of its NAV in China A Shares.
4. It is the intention of the Target Fund Sub-Investment Manager to invest a maximum of 50% of the Target Fund's NAV in Emerging Market Countries.
5. The Target Fund may invest up to 10% of its NAV in REITs.
6. The Target Fund may invest up to 10% of its NAV in recently issued securities.
7. The Target Fund may not invest greater than 5% of its NAV in securities traded on Russian markets. Investment will only be made in securities that are listed/traded on the Moscow exchange.
8. The Target Fund will not utilise total return swaps, securities lending or margin lending.

2.3.2 GENERAL INVESTMENT RESTICTIONS OF THE TARGET FUND COMPANY

A. Permitted Investments
Investments of a UCITS are confined to:

1. Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a EU Member State or non-EU Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a EU Member State or non-EU Member State.
2. Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
3. Money market instruments, other than those dealt on a regulated market.
4. Units of UCITS.
5. Units of alternative investment funds (AIFs).
6. Deposits with credit institutions.
7. Financial derivative instruments.

B. Investment Restrictions
1. A UCITS may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph A above.

2. Recently issued transferable securities.
   (a) Subject to paragraph (b) a responsible person shall not invest any more than 10% of assets of a UCITS in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations 2011 apply.
   (b) Paragraph (a) does not apply to an investment by a responsible person in US Securities known as "Rule 144 A securities" provided that;
      (i) the relevant securities have been issued with an undertaking to register the securities with the SEC within 1 year of issue; and
      (ii) the securities are not illiquid securities i.e. they may be realised by the UCITS within 7 days at the price, or approximately at the price, which they are valued by the UCITS.

3. A UCITS may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.

4. The limit of 10% (in paragraph 3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a EU Member State or its local authorities or by a non-EU Member State or public international body of which one or more EU Member States are members.

5. The transferable securities and money market instruments referred to in 2.4. shall not be taken into account for the purpose of applying the limit of 40% referred to in paragraph 3.

6. Cash booked in accounts and held as ancillary liquidity shall not exceed 20% of the net assets of the UCITS.

7. The risk exposure of a UCITS to a counterparty to an OTC derivative may not exceed 5% of net assets. This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

8. Notwithstanding paragraphs 3, 6 and 7 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:
   - investments in transferable securities or money market instruments;
   - deposits, and/or
   - counterparty risk exposures arising from OTC derivatives transactions.

9. The limits referred to in 3, 4, 5, 7 and 8 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.

10. Group companies are regarded as a single issuer for the purposes of 3, 4, 5, 7 and 8. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.

11. A UCITS may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any EU Member State, its local authorities, non- EU Member States or public international body of which one or more EU Member States are members.

    The individual issuers must be listed in the prospectus and may be drawn from the following list:
    OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Saudi Arabia (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter-American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC. The UCITS must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.

C. Investment in CIS

1. A UCITS may not invest more than 20% of net assets in any one CIS.

2. Investment in non-UCITS may not, in aggregate, exceed 30% of net assets.

3. The CIS are prohibited from investing more than 10 per cent of net assets in other open-ended CIS.

4. When a UCITS invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the UCITS investment in the units of such other CIS.

5. Where by virtue of investment in the units of another investment fund, a responsible person, an investment manager or an investment advisor receives a commission on behalf of the UCITS (including a rebated commission), the responsible person shall ensure that the relevant commission is paid into the property of the UCITS.

D. Index Tracking UCITS

1. A UCITS may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the UCITS is to replicate an index which satisfies the criteria set out in the UCITS Regulations and is recognised by the Central Bank of Ireland.

2. The limit in paragraph 1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

E. General Provisions

1. An investment company, ICAV or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

2. A UCITS may acquire no more than:
   (i) 10% of the non-voting shares of any single issuing body;
   (ii) 10% of the debt securities of any single issuing body;
   (iii) 25% of the units of any single CIS;
   (iv) 10% of the money market instruments of any single issuing body.

NOTE: The limits laid down in (ii), (iii) and (iv) 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 the securities in issue cannot be calculated.

3. Paragraphs 1 and 2 shall not be applicable to:
   (i) transferable securities and money market instruments issued or guaranteed by a EU Member State or its local authorities;
   (ii) transferable securities and money market instruments issued or guaranteed by a non-EU Member State;
   (iii) transferable securities and money market instruments issued by public international bodies of which one or more EU Member States are members;
   (iv) shares held by a UCITS in the capital of a company incorporated in a non-EU Member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-EU Member State complies with the limits laid down in B3 to B10, C1, C2, E1, E2, E4, E5 and E6, and provided that where these limits are exceeded, paragraphs E5 and E6 below are observed;
   (v) Shares held by an investment company or investment companies or ICAV or ICAV's in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.

4. UCITS need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.

5. The Central Bank of Ireland may allow recently authorised UCITS to derogate from the provisions of B3 to B11, C1, C2, D1 and D2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.

6. If the limits laid down herein are exceeded for reasons beyond the control of a UCITS, or as a result of the exercise of subscription rights, the UCITS must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.

7. Neither an investment company, ICAV nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of:
   - transferable securities;
   - money market instruments*;
   - units of investment funds; or
   - financial derivative instruments.

8. A UCITS may hold ancillary liquid assets.

**Any short selling of money market instruments by UCITS is prohibited.*

F. FDIs

1. The UCITS global exposure relating to FDI must not exceed its total net asset value.

2. Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations.)

3. UCITS may invest in FDIs dealt in over-the-counter (OTC) provided that the counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank of Ireland.

4. Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

2.3.3 VAG REQUIREMENTS

The German Insurance Supervisory Act (Versicherungsaufsichtsgesetz - “VAG”) in conjunction with the Ordinance on the Investment of Restricted Assets of Pension Pools, Funeral Expenses Funds and Small Insurance Companies (Verordnung über die Anlage des Sicherungsvermögens von Pensionskassen, Sterbekassen und kleinen Versicherungsunternehmen - Anlageverordnung) as further interpreted by the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – “BaFin”) provide that, in order to be eligible for investment by certain German insurance companies and other regulated investors, the Target Fund must meet certain minimum requirements with respect to the creditworthiness of its investments. As a result, where the Target Fund Prospectus supplement notes that the Target Fund complies with the “VAG Requirements”, the Target Fund’s investment policy shall comply with the following minimum requirements. For the avoidance of doubt, it is not intended that complying with the VAG Requirements will amend the investment objectives or policies or otherwise impact the management of the Target Fund, as the VAG requirements are either less restrictive than or equivalent to those already contained in the Target Fund’s investment policy.

Under the VAG Requirements, a portfolio may only purchase

(a) debt securities which have:
    (i) a rating from a Recognised Rating Agency or another rating agency that has been examined and registered in accordance with Regulation (EC) No. 1060/2009) (an “External Rating”) of at least speculative grade (currently B- by Standard & Poor’s and Fitch or B3 by Moody’s or an equivalent rating by such other rating agency); or
    (ii) been subject to the investment manager’s or the sub-investment manager’s own credit risk assessment (an “Internal Rating”) with an equivalent result.
(b) asset backed securities (ABS), credit linked notes and similar assets (i.e. investments whose yield or repayment is linked to credit risks or that are used to transfer the credit risk of a third-party) which have:
    (i) an External Rating of at least investment grade (currently long-term BBB- ratings by Standard & Poor’s and Fitch or Baa3 by Moody’s or short-term A-3 ratings by Standard & Poor’s, F 3 by Fitch or Prime 3 by Moody’s or an equivalent rating by such other rating agency); or
    (ii) an equivalent Internal Rating.

In each case, the investment manager or the sub-investment manager (as applicable) shall make and document its own credit risk assessment and shall not rely on credit ratings solely or mechanistically for assessing the creditworthiness of an entity or financial instrument.

Without prejudice to the Central Bank of Ireland’s requirements in respect of remedying advertent and inadvertent breaches of investment policies, which shall continue to apply to all Portfolios at all times, in the event that the External Ratings or Internal Ratings of securities held by a Portfolio are downgraded to a rating/credit assessment that is lower than the above-mentioned minimum ratings/credit assessments:

- where the affected securities represent more than 3% of the portfolio’s NAV, the investment manager or the sub-investment manager (as applicable) will, at a minimum, use its best efforts to sell affected securities within six months of the rating-downgrade so that the amount of affected securities will be below 3% of the portfolio’s NAV;
- where the affected securities represent less than 3% of the portfolio’s NAV, the investment manager or the sub-investment manager (as applicable) will assess, in their own reasonable discretion, if, to which extent and in which timeframe affected securities should be sold.

Where an internal credit risk assessment results in an Internal Rating for a security which is higher than an External Rating for that security, the Internal Rating may be used in preference to the External Rating as follows:

- where only one External Rating is available in respect of a security, the Internal Rating may be used in preference to that External Rating where an appropriate additional quantitative credit risk assessment has been performed by the investment manager or the sub-investment manager (as applicable);
- where two External Ratings are available in respect of a security and the Internal Rating is better than the lower of the two External Ratings, the Internal Rating may be used where an appropriate additional quantitative credit risk assessment has been performed by the Manager or the Sub-Investment Manager (as applicable); and
- where three or more External Ratings are available in respect of a security and the Internal Rating is better than the second best of the three or more External Ratings, the Internal Rating may be used where an appropriate additional quantitative credit risk assessment has been performed by the investment manager or the sub-investment manager (as applicable).

Such additional quantitative credit risk assessments must be properly documented.

External Ratings and/or Internal Ratings will be verified at least (i) annually for investment-grade or equivalent securities, (ii) quarterly for speculative-grade or equivalent securities and (iii) in either case more frequently if other negative circumstances indicate that this is necessary. Such verification process must be properly documented.

Where a portfolio is allowed to invest into other investment funds, such investment funds must have investment policies and restrictions which comply with the rating requirements in this section.

2.3.4 SUSTAINABLE INVESTMENT CRITERIA

The Target Fund Investment Manager and/or the Target Fund Sub-Investment Manager have regard to the terms of the Neuberger Controversial Weapons Policy, as described in more detail below, when determining what investments to make for the Target Fund.

The Target Fund Investment Manager and/or the Target Fund Sub-Investment Manager have regard to the terms of the Neuberger Thermal Coal Involvement Policy for the Target Fund as described in more detail below, when determining what investments to make for the Target Fund.

The Target Fund Investment Manager and/or the Target Fund Sub-Investment Manager will also act in accordance with the Neuberger Global Standards Policy, as described in more detail below, when determining what investments to make for all Article 8 portfolios and Article 9 portfolios.

In addition, the Target Fund Investment Manager and/or the Target Fund Sub-Investment Manager may have regard to the terms of the Neuberger Sustainable Exclusion Policy (referred to as the "Sustainable Criteria") when determining what investments to make for the Target Fund.

Where any of the avoidance criteria listed in (i) the avoidance policies (i.e. the Neuberger Controversial Weapons Policy, the Neuberger Sustainable Exclusion Policy and the Neuberger Global Standards Policy, where applicable) or where any involvement policies are listed (i.e. the Neuberger Thermal Coal Involvement Policy); and/or (ii) as further detailed in the Target Fund Prospectus supplement, prevent the Target Fund from investing in certain securities, these avoidance criteria do not prevent the Target Fund from taking short positions in respect of such prohibited securities, i.e. seeking to profit from expected declines in the value of such securities. Such short positions must be cash settled. The Target Fund is prohibited from placing cover trades on issuers otherwise excluded from the Target Fund and this prohibition extends to holdings covering short positions.

Investors should note that Article 8 portfolios and Article 9 portfolios may temporarily hold excess cash following a material subscription, before completing an investment, or following the sale of an investment, pending distribution or reinvestment. In such cases, where the cash is held temporarily, the Target Fund Investment Manager and / or the Target Fund Sub-Investment Manager may exclude it from the asset allocation calculations contained in the relevant SFDR Annex. Investors should further note that investments by an Article 8 portfolio in an Affiliated Underlying Fund which is also categorised as an Article 8 portfolio will, unless otherwise specified in the Target Fund Prospectus supplement, in normal circumstances be considered aligned with the environmental and/or social characteristics promoted by the investing Article 8 portfolio for the purposes of the asset allocation calculations detailed in its SFDR Annex.

The Target Fund Investment Manager and / or the Target Fund Sub-Investment Manager will ensure that any existing holdings of the Target Fund that has adopted any of the Sustainable Criteria or other avoidance criteria that do not comply with the terms of such adopted policies or exclusions will be sold as soon as reasonably possible and, in any case, within 30 days of the date of the adoption of the relevant policy or exclusions, provided that it is in the best interests of the Shareholders to do so. Further, in the event that any of the Sustainable Criteria or other avoidance criteria are changed, the Target Fund Investment Manager and / or the Target Fund Sub-Investment Manager will ensure that any existing holdings of the Target Fund that is subject to such policies or exclusions that no longer comply with the terms of such policies or exclusions will be sold as soon as reasonably possible and, in any case, within 30 days of the date of the change to the relevant policy or exclusions, provided that it is in the best interests of the shareholders to do so. Thereafter, in each case, all of the existing holdings of the Target Fund will comply with terms of the relevant policy or exclusions. Please note that where any exclusion policy adopted by the Target Fund contains its own specific provisions which address the issues addressed in this paragraph, such provisions will apply to the Target Fund, in preference to the foregoing.

<u>Neuberger Controversial Weapons Policy</u>
The Target Fund Manager and the Target Fund Sub-Investment Manager are committed to supporting and upholding conventions that seek to ban the production of controversial weapons and have adopted a controversial weapons policy (the "Neuberger Controversial Weapons Policy") which seeks to prohibit a number of investments by the Target Fund Manager and/or the Target Fund Sub-Investment Manager. As a result, none of the portfolios shall invest in securities that have been identified by the Target Fund Investment Manager and/or the Target Fund Sub-Investment Manager through the utilisation of third-party data, as having corporate involvement in the end manufacture or manufacture of intended use components of controversial weapons.

The Neuberger Controversial Weapons Policy defines involvement in the manufacture of controversial weapons as either being responsible for end manufacture and assembly of controversial weapons or being responsible for the manufacture of intended use components for controversial weapons. The Neuberger Controversial Weapons Policy does not include dual-use component manufacturers (manufacturers of items that can be used for both military and non-military purposes) or delivery platform manufacturers (this may include manufacturers of airplanes, drones, ships or submarines potentially used to deliver weapons to their target / intended place of detonation).

Controversial weapons are defined as:
(a) Biological and chemical weapons. Weapons outlawed by the Biological and Toxin Weapons Convention of 1972, including, but not limited to, white phosphorus.

(b) Anti-personnel mines. Weapons that signatories agreed to prohibit the use, stockpiling, production or transfer of under the 1997 Anti-personnel Landmines Convention. The convention was concluded in Oslo on 18 September 1997 and entered into force on 1 March 1999, six months after it was ratified by 40 states. Today, the treaty is still open for ratification by signatories and for accession by those that did not sign before March 1999. The Convention does not address the issue of financial support for companies that manufacture such weapons.
(c) Cluster munitions. Weapons that signatories agreed to restrict the manufacture, use and stockpiling of, as well as components of these weapons, under the 2008 Convention on Cluster Munitions. The Convention was agreed in Dublin, Ireland on 30 May 2008 and entered into force on 1 August 2010, six months after it was ratified by 30 states. Today, the treaty is still open for ratification by signatories and for accession by those that did not sign before August 2010. The implications for financial support of companies that manufacture cluster munitions is left unclear in the Convention. As a result, signatory states and the institutions based on them have taken a range of approaches to the question of prohibiting or allowing investments in cluster munitions producers: some prohibit all investments, some prohibit only direct investments and some have not yet banned investments.
(d) Depleted uranium weapons. Companies involved in the production of depleted uranium (DU) weapons, ammunition and armour.

Neuberger Thermal Coal Involvement Policy
The Neuberger Thermal Coal Involvement Policy is an involvement policy whereby the Target Fund Investment Manager and the Target Fund Sub-Investment Manager will formally review and Neuberger's Stewardship and Sustainable Investing Committee must approve the initiation of new investment positions in securities issued by companies that (i) derive more than 25% of their revenue from thermal coal mining; or (ii) are expanding new thermal coal power generation (as defined in the Neuberger Thermal Coal Involvement Policy, a summary of which is included below). As a result, the Target Fund shall make any new investments in securities that have been identified by the Target Fund Investment Manager and/or the Target Fund Sub-Investment Manager through the utilisation of third-party data, as being issued by such companies without undergoing formal review and approval by Neuberger's Stewardship and Sustainable Investing Committee. The Target Fund Investment Manager and the Target Fund Sub-Investment Manager will also subject existing investments in companies that: (i) increase their revenue derived from thermal coal mining to more than 25%; or (ii) expand new thermal coal power generation, since the initiation of the investment position, to formal review and approval by Neuberger's Stewardship and Sustainable Investing Committee.

Thermal Coal Mining. The Target Fund Investment Manager and the Target Fund Sub-Investment Manager define thermal coal mining as the mining of thermal coal including lignite, bituminous, anthracite and steam coal, its sale to external parties and through contract mining services. This does not include revenue from metallurgical coal, intra-company sales of mined thermal coal, revenue from coal trading and royalty income for non-involved parties.

Thermal Coal Power Generation. The Target Fund Investment Manager and the Target Fund Sub-Investment Manager define new thermal coal power generation expansion as the addition of new and substantial thermal coal-fired generation capacity into the construction, development, permitting or planning phase by companies defined as a generating company (>10% of revenue derived from power generation). Investments in existing coal plants for pollution control equipment, regular operations and maintenance spend is not prohibited.

Neuberger Sustainable Exclusion Policy
The Target Fund Investment Manager and/or the Target Fund Sub-Investment Manager have adopted a sustainable exclusion policy (the "Neuberger Sustainable Exclusion Policy") which sets out the exclusion criteria which they will utilise to prohibit investment in securities that the Target Fund Investment Manager and/or the Target Fund Sub-Investment Manager do not believe meet a minimum sustainability criteria on behalf of the Target Fund.

The Neuberger Sustainable Exclusion Policy incorporates the Neuberger Thermal Coal Involvement Policy, the Neuberger Controversial Weapons Policy and the Neuberger Global Standards Policy. The Neuberger Global Standards Policy seeks to identify companies that comply with the UNGC Principles, the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (the "OECD Guidelines"), the United Nations Guiding Principles on Business and Human Rights (the "UNGPs") and the ILO Standards, in line with international standards.

Where two or more Neuberger avoidance policies are applied to a portfolio, the portfolio will apply the policies cumulatively. This means that the portfolio will adhere to the stricter criteria or threshold. For example, where the Neuberger Sustainable Exclusion Policy applies to an Article 8 or Article 9 portfolio, it applies a lower revenue threshold of 10% when prohibiting investment in securities issued by companies that generate revenue from thermal coal mining than that provided for under the "Thermal Coal and Power Generation Exclusions For Article 8 And Article 9 Portfolios" section, which applies a revenue threshold of 25%. For the avoidance of doubt, (i) where an Article 8 or Article 9 portfolio applies the Neuberger Sustainable Exclusion Policy, the lower revenue threshold of 10% will be applied to the portfolio; or (ii) where an Article 8 or Article 9 portfolio applies the Neuberger Sustainable Exclusion Policy and the EU PAB exclusions, provided for under the Neuberger EU Climate Benchmark Standard Exclusions Policy (as defined below), that Portfolio will be subject to a lower revenue threshold of 1%, as outlined in the Target Fund Prospectus.

The following exclusion criteria are applied to corporate issuers under the Neuberger Sustainable Exclusion Policy:

Tobacco. The Target Fund is prohibited from purchasing the securities of issuers that are involved in tobacco production such as cigars, blunts, cigarettes, e-cigarettes, inhalers, beedis, kreteks, smokeless tobacco, snuff, snus, dissolvable and chewing tobacco and other tobacco-related products. This prohibition also includes issuers that grow or process raw tobacco leaves.

Civilian Firearms. The Target Fund is prohibited from purchasing the securities of issuers that derive more than 0.5% of their revenue from involvement in the manufacturing of civilian firearms.

Private Prisons. The Target Fund excludes the purchase of companies that own, operate or primarily provide integral services to private prisons, given the significant social controversy and reputational risks associated with these, and also because the dependency on Justice Department policies and facilities or local governments' policies regarding their operations and the fact that these facilities are not easily reconfigurable for alternative uses.

Fossil Fuels. The Target Fund will seek to minimise or neutralise its exposure to certain pieces of the fossil fuel value chain, owing to the varied contribution to climate and environmental risk.

- Coal and unconventional oil and gas supply. The Portfolio is prohibited from purchasing the securities of issuers which derive substantial revenue from the extraction of coal or the use of unconventional methods to extract oil and gas. Substantial revenue is defined for this purpose as follows:
  - Thermal coal. Issuers should not derive more than 10% of revenue from the mining of thermal coal.
  - Unconventional oil supply (Oil Sands). Issuers should not derive more than 10% of revenue from oil sands extraction.
- Electricity generation. The Target Fund will only purchase the securities of issuers for which power generation makes up more than 10% of revenue, where they are aligned with a lower carbon emissions economy. The Target Fund is therefore prohibited from investing in generators where:
  - Thermal Coal. More than 30% of MWh generation is derived from thermal coal.
  - Liquid Fuels (Oil). More than 30% of MWh generation is derived from liquid fuels (oil).
  - Natural Gas Electricity Generation. More than 90% of MWh generation is derived from natural gas. This threshold may decline over time, to align with a glide path to greater renewables penetration.
- Conventional oil and gas supply. The Portfolio is prohibited from investing in the securities of oil and gas producers for whom natural gas makes up less than 20% of their reserves.

2.3.5 PORTFOLIO INVESTMENT TECHNIQUES

The Target Fund Company may employ investment techniques and instruments for efficient portfolio management of the assets of the Target Fund including hedging against market movements, currency exchange or interest rate risks under the conditions and within the limits stipulated by the Central Bank of Ireland under the UCITS Regulations and described below.

1. Use of Repurchase and Reverse Repurchase Agreements

   At the discretion of the Target Fund Investment Manager or the Target Fund Sub-Investment Manager, the Target Fund may enter into repurchase and reverse repurchase agreements ("Repo Contracts"), subject to the conditions and limits set out in the Central Bank UCITS Regulations. Any such Repo Contracts may be used for efficient portfolio management purposes.

   Under a repurchase agreement, the Target Fund purchases securities from a relevant institution which agrees, at the time of sale, to repurchase the securities at a mutually agreed upon date and price, thereby determining the yield to the Target Fund during the term of the agreement. The resale price reflects the purchase price plus an agreed upon market rate of interest which is unrelated to the purchased security. The Portfolio may also enter into reverse repurchase agreements, under which it sells securities and agrees to repurchase them at a mutually agreed upon date and price.

   The Target Fund will only enter Repo Contracts which ensure that it is able to (i) recall any security that has been lent or sold and recall any cash that has been paid out; or (ii) terminate Repo Contracts into which it has entered at any time.

   All revenues from the use of Repo Contracts, net of direct and indirect operational costs, will be returned to the Target Fund. Full details of any revenue earned and the direct and indirect operational costs and fees incurred with respect to the use of Repo Contracts for the Target Fund will be included in the Target Fund Company's annual financial statements. The maximum proportion of the Target Fund's NAV that can be subject to Repo Contracts is 10% and the expected proportion of the Target Fund's NAV that will be subject to Repo Contracts is 3%.

   Any counterparty, which is not a relevant institution, will have a minimum credit rating of A2 or equivalent from a Recognised Rating Agency, or will be deemed by the Target Fund Investment Manager to have an implied rating of A2. Alternatively, an unrated counterparty will be acceptable where the Target Fund is indemnified against losses suffered as a result of a failure by the counterparty, by an entity which has and maintains a rating of A2. It is not expected that such counterparties will be related to the Target Fund Investment Manager, the Target Fund Sub-Investment Manager or the Depositary. All collateral received from a counterparty will meet the requirements and be subject to the restrictions set out under "Management of Collateral" below. Investors should also read the "Repurchase and Reverse Repurchase Agreement Risk" risk warnings in the "Investment Risks" section.

2. Management of Collateral

   Subject to the UCITS Regulations, the Target Fund may enter into Repo Contracts (Also known as "SFT Transactions") in accordance with normal market practice and provided that collateral obtained under the SFT Transactions with the criteria set out below.

(i) Liquidity - collateral (other than cash) should be highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral should comply with the provisions of Regulation 74 of the UCITS Regulations and shall be used in accordance with the requirements of this Prospectus and the UCITS Regulations.
(ii) Valuation - collateral should be valued on a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place. Any collateral received by the Target Fund in respect of SFT Transactions will meet the requirements set out in the Target Fund Prospectus and be valued in accordance with the provisions of the "Determination of Net Asset Value" section hereof and valuations will be marked to market daily and variation margin will be applied daily, as necessary.
(iii) Issuer credit quality - collateral should be of high quality.
(iv) Correlation - collateral should 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.
(v) Diversification - collateral should be sufficiently diversified in terms of country, markets and issuers. Non-cash collateral will be considered to be sufficiently diversified if the relevant Portfolio receives from a counterparty a basket of collateral with a maximum exposure to any one issuer of 20% of the Target Fund's net asset value. When the Target Fund is exposed to a variety of different counterparties, the various baskets of collateral are aggregated to ensure exposure to a single issuer does not exceed 20% of net asset value.

    By way of derogation from this sub-paragraph, a Portfolio may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a EU Member State, one or more of its local authorities, a third country, or a public international body to which one or more EU Member States belong. The Target Fund will receive securities from at least six different issues and securities from any single issue will not account for more than 30% of the Target Fund's NAV. Portfolios that intend to be fully collateralised in securities issued or guaranteed by a EU Member State will disclose this fact in the Target Fund Prospectus supplement and also identify the EU Member States, local authorities, third country, or public international bodies issuing or guaranteeing securities which they are able to accept as collateral for more than 20% of their NAV.
(vi) Immediately available - collateral received should be capable of being fully enforced by the Target Fund at any time without reference to or approval from the counterparty. All assets received in respect of the Target Fund in the context of SFT Transactions will be considered as collateral for the purposes of the UCITS Regulations and will comply with the criteria above. The Target Fund Company seeks to identify and mitigate risks linked to the management of collateral, including operational and legal risks, by risk management procedures employed by the Target Fund Company.

    Where there is a title transfer, the collateral received will be held by the Depositary, or its agent. For other types of collateral arrangement the collateral may be held by a third-party custodian which is subject to prudential supervision and which is unrelated to the provider of the collateral.

Permitted types of collateral
In accordance with the above criteria, the Target Fund may accept the following types of collateral:
(i) cash;
(ii) government or other public securities;
(iii) certificates of deposit issued by Relevant Institutions;
(iv) letters of credit with a residual maturity of three months or less, which are unconditional and irrevocable and which are issued by Relevant Institutions;
(v) equity securities traded on a stock exchange in Relevant Jurisdictions, Switzerland, Canada, Japan, the United States, Jersey, Guernsey, the Isle of Man, Australia or New Zealand;

Reinvestment of Collateral
Cash received as collateral may only be re-invested in the following instruments:
(i) deposits or certificates of deposit issued by Relevant Institutions;
(ii) high-quality government bonds; or
(iii) a short-term money market fund

Invested cash collateral may not be placed on deposit with, or invested in securities issued by, the counterparty or a related entity.

Re-invested cash collateral will be diversified in accordance with the diversification requirements applicable to non-cash collateral and will be exposed to the risks associated with investment in the instruments described above, including, without limitation, market risks, credit risks and risks associated with fixed income securities. Please see the "Investment Risks" section for more information.

Non-cash collateral received cannot be sold, pledged or re-invested.

Stress testing policy
In the event that the Target Fund receives collateral for at least 30% of its net assets, it will implement a stress testing policy to ensure that regular stress tests are carried out under normal and exceptional liquidity conditions in order to allow it to assess the liquidity risk attached to collateral.

Haircut policy
The Target Fund has implemented a haircut policy in respect of each class of assets received as collateral. This policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the collateral, the price volatility of the collateral and the results of any stress tests which may be performed in accordance with the stress testing policy. The value of the collateral, adjusted in light of the haircut policy, must equal or exceed, in value, at all times, the relevant counterparty exposure.

3. When-Issued and Forward Commitment Securities
Subject to the investment restrictions contained in the "Investment Restrictions" section above, the Target Fund may purchase securities on a "when-issued" basis and may purchase or sell securities on a "forward commitment" basis. The price, which is generally expressed in yield terms, is fixed at the time the commitment is made, but delivery and payment for the securities take place at a later date. When-issued securities and forward commitments may be sold prior to the settlement date, but the Target Fund will usually enter into when-issued and forward commitments only with the intention of actually receiving or delivering the securities or to avoid currency risk, as the case may be. No income accrues on securities which have been purchased pursuant to a forward commitment or on a when-issued basis prior to delivery of the securities. If the Portfolio disposes of the right to acquire a when-issued security prior to its acquisition or disposes of its right to deliver or receive against a forward commitment, the Target Fund may incur a gain or loss.

4. Currency Transactions
The Target Fund is permitted to invest in securities denominated in a currency other than the base currency of the Target Fund and may purchase currencies to meet settlement requirements. In addition, subject to the restrictions imposed by the UCITS Regulations, the Target Fund may enter into various currency transactions (i.e. forward foreign currency contracts, currency swaps or foreign currency) to protect against uncertainty in future exchange rates. Forward foreign currency contracts are agreements to exchange one currency for another – for example, to exchange a certain amount of Sterling for a certain amount of Euro – at a future date. The date (which may be any agreed-upon fixed number of days in the future), the amount of currency to be exchanged and the price at which the exchange will take place are negotiated and fixed for the term of the contract at the time that the contract is entered into.

Currency transactions which alter currency exposure characteristics of transferable securities held by the Target Fund may only be undertaken for the purposes of a reduction in risk, a reduction in costs and/or an increase in capital or income returns to the Target Fund. Any such currency transactions will be used in accordance with the investment objective of the Target Fund.

The Target Fund may "cross-hedge" one foreign currency exposure by selling a related foreign currency into the base currency of the Target Fund. Also, in emerging or developing markets, local currencies are often expressed as a basket of major market currencies such as the US Dollar, Euro or Japanese Yen. A Portfolio may hedge out the exposure to currencies other than its base currency in the basket by selling a weighted average of those currencies forward into the base currency.

2.4. ADDITIONAL INVESTMENT RESTRICTIONS APPLICABLE TO THE TARGET FUND

For the purpose of the investments in the Target Fund, the Target Fund Manager has confirmed the following:

1. The Target Fund does not intend to invest in the following securities:
   (a) Physically-backed metal exchange-traded funds;
   (b) Commodities;
   (c) Securities with embedded derivatives; and
   (d) FDIs

2. The Target Fund Investment Manager will act in accordance with the Prospectus and constitutional documents of the Fund and comply with all applicable requirements under the UCITS regulations.

2.5. BORROWING POLICY

Under the articles of association of NIF, the directors of NIF are empowered to exercise all of the borrowing powers of NIF subject to any limitations under the UCITS Regulations and to charge the assets of NIF as security for such borrowings.

NIF may not borrow money, grant loans or act as guarantor on behalf of third-parties, except:
(i) foreign currency may be acquired by means of a back-to-back loan (i.e. borrowing one currency against the deposit of an equivalent amount of another currency) provided that where foreign currency borrowings exceed the value of the "back-to-back" deposit, any excess shall be regarded as borrowing and therefore aggregated with other borrowing for the purposes of the 10% limit referred to below; and
(ii) NIF may incur temporary borrowings (including to finance temporary cash flow mismatches in respect of covering FDI positions which the Target Fund may enter into an amount not exceeding 10% of its net asset value and may charge its assets as security for such borrowings.

2.6. INFORMATION SPECIFIC TO REDEMPTIONS

If on any dealing day a shareholder requests the redemption of shares equal to 5% or more of the number of shares in issue in a particular series on such dealing day and on such dealing day redemption requests from all holders of Shares of that series total an aggregate of more than 25% of all the shares in issue in that series on such dealing day, NIF may, with the prior consent of such shareholder, taking prevailing market conditions and the best interests of the shareholders of that series as a whole into account, distribute underlying investments rather than cash in respect of such shareholder's redemption request. In such circumstances, subject always to the principle that any such distribution shall not materially prejudice the interests of other shareholders and the approval of the Depositary and the Target Fund Investment Manager for the allocation of assets as part of such distribution, such distributions will be structured so as to provide such redeeming shareholder with a pro-rated proportion of each asset held by the Target Fund.

In the event that NIF exercises the power to distribute underlying investments rather than cash in respect of a redemption request, the relevant shareholder will have the right to instruct NIF to procure the sale of such underlying investments on their behalf, in which case the shareholder will receive the proceeds net of all duties and charges incurred in connection with the sale of such underlying investments.

If on any dealing day outstanding redemption requests from all holders of shares of a particular series total more than such amount as may be determined by the Target Fund Investment Manager from time to time in respect of a series and disclosed in the Target Fund Prospectus supplement, subject always to a minimum of 10% of the shares of such series in issue on such dealing day, (the "Redemption Ceiling") the Target Fund Investment Manager shall be entitled, in its discretion, to refuse to redeem such number of shares in that series in excess of the Redemption Ceiling on that dealing day, as the Target Fund Investment Manager shall determine. When exercising this discretion, the Target Fund Investment Manager shall inform and, where appropriate, consult with the Depositary. Where no Redemption Ceiling is specified in the Target Fund Prospectus supplement, the Redemption Ceiling shall be 10% of the shares of such series in issue on such dealing day.

If NIF refuses to redeem shares for this reason, all requests for redemption on such dealing day shall be reduced rateably and the shares to which each request relates which are not redeemed on that dealing day shall be redeemed on each subsequent dealing day in accordance with the provisions of the articles of association of NIF until all the shares of the series to which the original requests related have been redeemed, provided always that in no case will NIF be obliged to redeem shares of a particular series in excess of the Redemption Ceiling on any dealing day.

Redemption proceeds will be paid in the currency received by the Administrator in respect of the subscription for the shares being redeemed. Any currency conversion necessary will be undertaken by the Administrator at the investor's expense at the prevailing rate on the date of redemption. Redemption proceeds will be paid within ten (10) Business Days of the relevant dealing day unless payment has been suspended in the circumstances described under "*Temporary Suspension of Dealings*" below, although NIF will seek to make such payments within a shorter period of time where possible (up to and including within three (3) Business Days of the relevant dealing day). Unless otherwise agreed with NIF, redemption proceeds will be paid by electronic transfer at the expense of the relevant shareholder to the shareholder's account as specified in the shareholder's subscription application form or as otherwise specified by original notice in writing by the shareholder to NIF.

Where satisfaction of a redemption request would result in a shareholder holding a number of shares in a Class with a value less than the minimum holding for that Class, the directors of NIF and the Target Fund Investment Manager shall be entitled, at their discretion, to treat the application for redemption as an application for the redemption of all of that shareholder's shares of the relevant Class or to offer the shareholder an opportunity to amend or withdraw the redemption request.

2.7. TEMPORARY SUSPENSION OF DEALINGS

The directors of NIF may at any time, with prior notification to, or, where necessary, consultation with, the Depositary, temporarily suspend the issue, valuation, sale, purchase, redemption or conversion of shares and/or the payment of redemption proceeds at any time during:

(a) any period when any recognised market on which a substantial portion of the investments for the time being comprised in the Target Fund are quoted, listed or dealt in is closed otherwise than for ordinary holidays, or during which dealings on any such recognised market are restricted or suspended;
(b) any period when, as a result of political, military, economic or monetary events or other circumstances beyond the control, responsibility and power of the directors of NIF, the disposal or valuation of investments for the time being comprised in the Target Fund cannot, in the opinion of the directors of NIF, be effected or completed normally or without prejudicing the interests of shareholders;
(c) any breakdown in the means of communication normally employed in determining the value of any investments for the time being comprised in the Target Fund or during any period when for any other reason the value of investments for the time being comprised in the Target Fund cannot, in the opinion of the directors of NIF, be promptly or accurately ascertained;
(d) any period when NIF is unable to repatriate funds for the purposes of making redemption payments or during which the realisation of investments for the time being comprised in the Target Fund, or the transfer or payment of funds involved in connection therewith cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange;
(e) any period when, as a result of adverse market conditions, the payment of redemption proceeds may, in the opinion of the directors of NIF, have an adverse impact on the Target Fund or the remaining shareholders in the Target Fund;
(f) any period after a notice convening a meeting of shareholders for the purpose of dissolving NIF or terminating the Target Fund has been issued, up to and including the date of such meeting of shareholders;

(g) any period during which dealings in a CIS in which the Target Fund has invested a significant portion of its assets are suspended;
(h) any period in which the repurchase of the shares would, in the opinion of the directors of NIF, result in a violation of applicable laws; or
(i) any period when the directors of NIF determine that it is in the best interests of the shareholders to do so.

Notice of any such suspension shall be published by NIF at its registered office and in such newspapers and through such other media as the directors of NIF may from time to time determine, if in the opinion of the directors of NIF, it is likely to exceed thirty (30) days, and shall be transmitted immediately to the Central Bank of Ireland, Euronext Dublin, where applicable, and the shareholders. Shareholders who have requested the issue or redemption of shares of any series or Class will have their subscription or redemption request dealt with on the first dealing day after the suspension has been lifted unless applications or redemption requests have been withdrawn prior to the lifting of the suspension. The directors of NIF will take all necessary steps to resume normal operations as soon as practicable and regularly review any prolonged suspension of dealings.

2.8. ADJUSTMENT OF VALUATIONS AND SWING PRICING

On any dealing day on which there are net subscriptions into or net redemptions out of the Target Fund, the actual cost of acquiring or disposing of assets on behalf of the Target Fund, due to dealing charges, taxes, and any spread between acquisition and disposal prices of assets, may be such as to affect the NAV of the Target Fund to the detriment of shareholders in the Target Fund as a whole. The adverse effect that these costs could have on the NAV is known as “dilution”.

In order to seek to mitigate the potentially dilutive effect of dealing on the NAV of the Target Fund on any dealing day on which there are net subscriptions or redemptions in the Target Fund above a certain predefined threshold of the Target Fund, the Target Fund Investment Manager may determine, at their discretion, to “swing” the NAV to counter the possible negative effects of dilution. Where they so determine, the Administrator will calculate the NAV for the Target Fund, as described above, and then adjust (“swing”) the NAV by a pre-determined amount. The direction of the swing will depend on whether there are net subscriptions or redemptions in the Target Fund on the relevant dealing day, while the magnitude of the swing will be based on pre-determined estimates of the average trading costs in the relevant asset class(es) in which the Target Fund is invested. For example, if the Target Fund is experiencing net inflows, its NAV will be swung upwards, so that the incoming shareholders are effectively bearing the costs of the dealing that their subscriptions generate by paying a higher NAV per share than they would otherwise be charged. Conversely, where there are net redemptions in the Target Fund, the NAV will be swung downwards, so that the outgoing investors are effectively bearing the costs of the dealing that their redemptions generate by receiving a lower NAV per share than they would otherwise receive. These swings are intended to protect non-dealing shareholders from the impact of trading costs triggered by dealing investors.

The determination to swing the NAV in respect of the Target Fund will be made following a consideration of the dealing activity (i.e. level of subscriptions and redemptions) in the Target Fund on a dealing day, in accordance with criteria approved by the Target Fund Investment Manager from time to time. These criteria will include whether the costs of investing or divesting the net inflows into or outflows from the Target Fund on a dealing day will create, in the Target Fund Investment Manager’s opinion, a significant dilutive impact. Swing pricing will only be exercised for the purpose of reducing dilution in the interests of the shareholders in the Target Fund as a whole and will be applied consistently in respect of the Target Fund and in respect of all assets of the Target Fund.

The maximum swing in normal market circumstances where swing pricing is adopted is not expected to exceed 1.5% of the NAV on the relevant dealing day. Investors should note that in extreme market conditions the factor may exceed that level. The application of Swing Pricing may increase the variability of the Target Fund’s returns. The Target Fund Investment Manager reserves the right to increase or vary the ‘swing’ of the NAV without notice to shareholders.

Investors should be aware that swing pricing may not always prevent the dilution of the NAV through dealing costs and the adjustments made to the NAV may also benefit certain investors relative to the shareholders in the Target Fund as a whole. For example a subscriber into the Target Fund on a day on which the NAV is swung downwards as a result of net redemptions from the Target Fund may benefit from paying a lower NAV per share in respect of his subscription than he would otherwise have been charged. In addition, the Target Fund’s NAV and short-term performance may experience greater volatility as a result of this valuation methodology.

2.9. TERMINATION OF THE TARGET FUND

NIF is established for an unlimited period and may have unlimited assets in the Target Fund. However, NIF is obliged to (in the case of (a) and (b) below) and may, but is not obliged to (in the case of (c), (d) and (e) below), redeem all of the shares of any series or Class in issue if:
(a) the shareholders in the Target Fund pass a special resolution providing for such redemption at a general meeting of the holders of the shares of the Target Fund;
(b) the redemption of the shares in the Target Fund is approved by a resolution in writing signed by all of the holders of the shares in the Target Fund;
(c) the NAV of the Target Fund does not exceed or falls below the base currency equivalent of US$75,000,000 (or such other amount as may be approved by the directors of NIF); or

(d) the directors of NIF have determined to redeem all shares in the Target Fund in accordance with the provisions specified under the heading "*Termination of appointment of the Manager, the Sub-Investment Manager or any other sub-investment manager at the initiative of the shareholders*" in the "*The Sub-Investment Manager*" section Target Fund Prospectus; or
(e) the directors of NIF deem it appropriate because of adverse political, economic, fiscal or regulatory changes affecting the Target Fund.

If the Depositary has given notice of its intention to retire and no new custodian acceptable to the Central Bank of Ireland has been appointed within ninety (90) days of such notice, NIF shall apply to the Central Bank of Ireland for revocation of its authorization and shall redeem all of the shares of any series or class in issue.

In each such case, the shares of the Target Fund shall be redeemed after giving not less than one month but no more than three (3) months' prior notice to all holders of such shares. The shares will be redeemed at the NAV per share on the relevant dealing day less such sums as NIF in its discretion may from time to time determine as an appropriate provision for duties and charges in relation to the estimated realisation costs of the assets of the Target Fund and in relation to the redemption and cancellation of the shares to be redeemed.

Unamortised establishment and organisational expenses shall be borne by NIF or Target Fund as applicable. Any unclaimed termination proceeds of the Target Fund may be paid into court at the expiration of 12 months, or if impossible, impractical or NIF otherwise determines it to be inappropriate to do so (for whatever reason), may be paid to charity at the expiration of 3 years, from the date of termination, subject to the right of Depositary to deduct therefrom any expense that it may incur in making such payment. During such period as unclaimed termination proceeds are held on behalf of NIF, shareholders who are entitled to the relevant part of the unclaimed termination proceeds may make a claim to NIF, the Target Fund Investment Manager or the Administrator for payment of its entitlement and will be paid upon provision of all required information and/or documents as required by NIF, the Target Fund Investment Manager and/or the Administrator.

2.10. SPECIFIC RISKS OF THE TARGET FUND

Please refer to "Specific Risks Related to the Target Fund" section at page 5 for details.

2.11. FEES CHARGED BY THE TARGET FUND (CLASS I3)

FEES/EXPENSES	
Preliminary Charge	Nil.
Management Fee	Up to 0.85% of the NAV of the Target Fund. ***Note:*** *The management fee charged by the Target Fund will be paid out of the Management Fee charged by the Manager at the Fund level. You will incur Management Fee at the Fund's level only and there is no double charging of management fee.*
Administration Fee	Up to 0.20% per annum of the NAV of the Target Fund. In addition to the fee payable out of the Administration Fee, the Administrator shall receive reimbursement out of the assets of the Target Fund for any other fees and expenses at normal commercial rates, including fees in respect of transfer agency, derivative processing fees and tax reclaim services and all out-of-pocket expenses reasonably and properly incurred by the Administrator in the performance of its duties.
Custody Fee	Up to 0.02% per annum of the NAV of the Target Fund. The Depositary will also be entitled to reimbursement by NIF out of the assets of the Target Fund for safekeeping fees, transaction charges and reasonable out-of-pocket expenses incurred for the benefit of the Target Fund including the fees (which will not exceed normal commercial rates) and reasonable out-of-pocket expenses of any sub-custodian appointed by the Depositary.
Duties and charges	In calculating the NAV per share of the Target Fund in connection with any subscription application or redemption request, the directors of NIF may on any dealing day when there are net subscriptions or redemptions adjust the NAV per share by adding or deducting duties and charges to cover dealing costs and to act as an anti-dilution levy to preserve the value of the underlying assets of the Target Fund. Any such duties and charges will account for actual expenditure on the purchase or sale of the assets of the Target Fund and will be retained for the benefit of the Target Fund. The directors of NIF reserves the right to waive such charge at any time. Where Swing Pricing is adopted in respect of the Target Fund on a dealing day, no other duties and charges will be applied in respect of subscriptions to or redemptions from the Target Fund.
Establishment & organizational expenses	NIF's organisational expenses have been amortised. The Target Fund's establishment and organisational expenses (including expenses relating to the negotiation and preparation of the contracts to which it is a party, the costs of preparing and printing the Target Fund Prospectus and related marketing materials, the costs of obtaining a listing on Euronext Dublin, where applicable, and the fees and expenses of its professional

FEES/EXPENSES	
	advisors), which will payable out of the assets of the Target Fund, are estimated not to have exceeded US$100,000. These expenses will be amortised over the first three (3) annual accounting periods of the Target Fund or such other period as may be determined by the directors of NIF.
Miscellaneous fees, costs & expenses	The NIF and the Target Fund will also pay certain other costs, charges, fees and expenses incurred in its operation, including without limitation fees and expenses incurred in relation to banking (including the costs associated with the provision and accessing of any credit facilities) trading and brokerage in respect of the purchase and sale of the Target Fund's securities and instruments at market rates, taxes, insurance and etc.

Note: *For more information about Target Fund Prospectus and supplement, please refer to the website at www.nb.com.*

3. FEES, CHARGES AND EXPENSES

3.1. CHARGES

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

3.1.1. Application Fee

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

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

	Class ABC (Denominated in MYR)	Class XYZ (Denominated in USD)
Investment amount	MYR 10,000	USD 10,000
NAV per unit	MYR 1.0000	USD 1.0000
Application Fee (NAV per unit)	5.00%	5.00%
Units issued to Unit holder = Investment amount / NAV per unit	= MYR 10,000.00 / MYR 1.0000 = 10,000 units	= USD 10,000.00 / USD 1.0000 = 10,000 units
Total Application Fee = Units issued to Unit holder x NAV per unit x Application Fee (%)	= 10,000 units x MYR 1.0000 x 5.00% = MYR 500.00	= 10,000 units x USD 1.0000 x 5.00% = USD 500.00

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

3.1.2. Withdrawal Penalty

Nil.

3.1.3. Switching Fee

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

3.1.4. Transfer Fee

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

3.2. FEES AND EXPENSES

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

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

3.2.1. Management Fee

Management Fee is charged to the respective Class at the Class level, based on the NAV of the Class. Please refer to the Annexure of the respective Class for further information. The Management Fee shall be accrued daily and paid monthly.

Below is an illustration on how the Management Fee is calculated, assuming Management Fee of 1.80% per annum and USD 150 million each for both Class ABC and Class XYZ:

	Class ABC (Denominated in MYR) (USD)	Class XYZ (Denominated in USD) (USD)
Management Fee	1.80% per annum	1.80% per annum
NAV of the Class	USD 150 million	USD 150 million
Management Fee for the day = NAV of the Class x Management Fee rate for the Class (%) /365 days	= USD 150 million x 1.80% / 365 = USD 7,397.26	= USD 150 million x 1.80% / 365 = USD 7,397.26

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

Please note that although at least 95% of the Fund's NAV will be invested in another CIS, no additional Management Fee will be charged to the investor.

INVESTOR → **FUND** → **TARGET FUND**

Management fee charged by us **Management fee paid to the Target Fund**

Note*: The Management Fee will only be charged once at the Fund level. The management fee charged by the Target Fund will be paid out of the Management Fee charged at the Fund level. There will not be double charging of the Management Fee. Please refer to "Fees charged by the Target Fund" section at page 43 for details on the Target Fund's management fee.*

3.2.2. Trustee Fee

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

The Trustee Fee is 0.03% per annum, calculated daily based on the NAV of the Fund.

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

Trustee Fee for the day	=	*NAV of the Fund x annual Trustee Fee rate for the Fund (%) / 365 days*
	=	*USD 150 million x 0.03% per annum / 365 days*
	=	*USD 123.29*

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

3.2.3. Other Expenses

The Deed also provides for payment of other expenses. The major expenses recoverable directly from the Fund 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 Trustee in investigating and evaluating any proposed investment;
- (where the foreign custodial function is delegated by the Trustee), charges/fees paid to the sub-custodian;
- expenses incurred in the printing of, the purchasing of stationery and postage for the annual and interim reports;
- remuneration and out of pocket expenses of the person(s) undertaking the oversight functions of the Fund and/or advisers (if any) of the Fund, unless we decide to bear the same;
- tax and other duties imposed by the government and other authorities and bank fees;
- tax agent's and auditor's fees and expenses in relation to the Fund;
- fees incurred for the fund valuation and accounting of the Fund performed by a fund valuation agent;
- costs incurred in modifying the Deed for your benefit;
- cost of convening and holding meetings of Unit holders (other than our benefit or the Trustee's);
- costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority, ministry, agency or department;
- costs, fees and expenses incurred in relation to the subscription, renewal and/or licensing of the performance benchmark for the Fund;
- costs, fees and expenses incurred in the engagement and provision of a registrar, administrator and/or transfer agent services; and
- costs, fees and expenses incurred in the provision of any electronic or digital invoicing.

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

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

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

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

3.3. REBATES AND SOFT COMMISSIONS

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

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

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

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

As this is a feeder fund, you are advised that you will be subjected to higher fees arising from the layered investment structure.

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

4. TRANSACTION INFORMATION

4.1. VALUATION OF INVESTMENTS PERMITTED BY THE FUND

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

- **CIS**
  The value of the unlisted CIS (i.e. the Target Fund) shall be determined by reference to the last published repurchase or redemption price for the Target Fund.

- **Deposit**
  The value of Deposit shall be determined each day by reference to the principal value of such Deposit and the accrued profit thereon for the relevant period.

- **Money market instruments**
  Investments in money market instruments such as negotiable certificate of deposits are valued each day by reference to the value of such investments and the profits accrued thereon for the relevant period. Instruments such as MYR-denominated commercial papers are valued on a daily basis using the fair value prices quoted by a BPA registered with the SC.

- **Derivative**
  For unlisted derivative instruments, we shall ensure that the valuation of the investment is valued at fair value as determined in good faith by us, on methods and bases which have been verified by the auditor of the Fund and approved by the Trustee.

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

4.2. UNIT PRICING

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

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

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

Illustration:

<u>For transaction request received by us by 4:00 p.m. on a Business Day</u>
At the end of the Business Day on 2 March 2026 your units will be based on the NAV per unit on 2 March 2026 which will be calculated on 3 March 2026. The NAV per unit will be made known on our website after 5:30 p.m. on 3 March 2026.

<u>For transaction request received by us after 4:00 p.m. on a Business Day</u>
At the end of the Business Day on 2 March 2026, your units will be based on the NAV per unit on 3 March 2026, which will be calculated on 4 March 2026. The NAV per unit will be made known on our website after 5:30 p.m. on 4 March 2026.

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

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

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

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

4.2.1. Multi-class Ratio (MCR)

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

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

	Fund (USD)	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in MYR) (USD)
NAV of the Fund before income and expenses	185,942,897.00	173,342,897.00	12,600,000.00
% MCR	100.00%	[(1)]93.22%	[(1)]6.78%
Add: Income	30,000.00	[(2)]27,967.12	[(2)]2,032.88
Less: Expenses	(10,000.00)	[(2)] (9,322.37)	[(2)] (677.63)
Benefits or costs of hedging (if any)	-	-	900.00
NAV of the Fund before management fee and trustee fee	185,962,897.00	173,361,541.75	12,602,255.25
		1.80% p.a.	1.80% p.a.
Less: Management fee	(9,170.82)	(8,549.34)	(621.48)
	0.03% p.a.		
Less: Trustee fee	(152.85)	(142.49)	(10.36)
NAV of the Fund	185,954,473.33	173,352,849.92	12,601,623.41
Units in circulation	200,000,000 units	170,000,000 units	30,000,000 units
NAV per unit		**1.0197**	**0.4200**
Currency exchange rate		N/A	(MYR/USD) 4.00
NAV per unit		**USD 1.0197**	**MYR 1.6800**

	Fund (USD)	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in MYR) (USD)
NAV of the Fund before creation of units for the day	185,954,473.33	173,352,849.92	12,601,623.41
[(3)]Net subscription amount	1,300,000.00	1,000,000.00	300,000.00
Closing NAV	187,254,473.33	174,352,849.92	12,901,623.41
Units in circulation	201,694,966.30 units	170,980,680.59 units	30,595,238.10 units
NAV per unit		**1.0197**	**0.4216**
Currency exchange rate		N/A	(MYR/USD) 4.00
NAV per unit		**USD 1.0197**	**MYR 1.6864**

Note:
[(1)] MCR computation

	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in MYR) (USD)
NAV of the Class x 100	173,342,897.00 x 100	12,600,000.00 x 100

NAV of the Fund before income and expenses	185,942,897.00	185,942,897.00
	= 93.22%	= 6.78%

(2) Apportionment based on MCR is as follows:

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

(3) Net subscription amount

	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in MYR) (USD)
Net subscription amount	USD 1,000,000.00	MYR 1,000,000.00
NAV per unit	USD 1.0197	MYR 1.6800
Number of units	980,680.59 units	595,238.10 units
Currency exchange rate	N/A	(MYR/USD) 4.00
Net subscription amount*	USD 1,000,000	USD 250,000

** Subscription amount net of any withdrawal amount*

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

4.2.2. Calculation of investment amount and units entitlement

The calculation below is for illustration only and does not represent the actual percentage or amount that you may incur for each Class. Please refer to the Annexure of the respective Class for the actual percentage or amount of charges.

***Illustrations*:**

Calculation of number of units received, Application Fee and total amount payable by you

Assumptions:
NAV per unit of Class XYZ denominated in MYR = MYR1.0000 (truncated to 4 decimal places)
Application Fee = 5.00%
You wish to invest MYR10,000 in the Fund.

*Calculation of number of units that you will receive**

= Investment amount / NAV per unit of Class XYZ
= MYR10,000.00 / MYR1.0000
= 10,000 units

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

= NAV per unit of Class XYZ x number of units received x Application Fee rate
= MYR1.0000 x 10,000 units x 5.00%
= MYR500.00

Calculation of total amount that you will have to pay

= Investment amount + Application Fee paid
= MYR10,000.00 + MYR500.00
= MYR10,500.00

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

Calculation of investment value

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

<u>Calculation of investment value</u>
= Number of units x NAV per unit of Class XYZ
= 10,000.00 units x MYR1.0240
= MYR10,240.00.

Calculation of withdrawal value and amount payable to you

Assuming you request for a 10,000 units withdrawal on the fifth month from the Commencement Date. Your withdrawal request is received by us by 4:00 p.m. on a Business Day. The NAV per unit of Class XYZ for that Business Day is RM1.0240 (truncated to 4 decimal places).*

<u>Calculation of amount payable to you</u>
= Number of units withdrawn x NAV per unit of Class XYZ
= 10,000 units x MYR1.0240
= MYR10,240.00

** There is no Withdrawal Penalty for Class XYZ of the Fund. Hence, the amount payable to you is the withdrawal value.*

4.3. INCORRECT PRICING

We shall take immediate remedial action to rectify any incorrect valuation and/or pricing of the Class. Where such error has occurred, we shall reimburse the money in the following manner:
(a) in the event of over valuation and/or pricing, we shall reimburse:
  (i) the Class for any withdrawal of units; and/or
  (ii) you, if you have purchased units of the Class at a higher price; or
(b) in the event of under valuation and/or pricing, we shall reimburse:
  (i) the Class for any subscription of units; and/or
  (ii) you, if you have withdrawn units of the Class at a lower price.

Notwithstanding the above, unless the Trustee otherwise directs, we shall make the reimbursement, only where an incorrect pricing:
(i) is equal to or more than 0.50% of the NAV per unit; and
(ii) results in a total sum of MYR10.00 (or in the case of a foreign currency Class, 10.00 denominated in the foreign currency denomination of the Class) or more to be reimbursed to a Unit holder for each sale or withdrawal transaction.

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

4.4. INVESTING

4.4.1. Who can invest?

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

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

Further, if we are aware of a USA person (i.e. someone who has a USA address (permanent or mailing)) or USA 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 the units or transfer the units to a non-USA person or non-USA entity.

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

4.4.2. How to invest?

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

You may make a payment:

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

4.4.3. Regular Savings Plan

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

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

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

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

4.4.5. Who is distributing this Fund?

The Fund may be distributed via the following channels:

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

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

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

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

4.5. MINIMUM INVESTMENTS

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

4.5.1. Processing an application

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

4.6. MINIMUM WITHDRAWALS

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

4.6.1. Processing a withdrawal

If we receive a complete withdrawal request by 4:00 p.m. on a Business Day, we will process it using the NAV per unit for that Business Day. If we receive the withdrawal request after 4:00 p.m. on a Business Day, we will process it using the NAV per unit for the next Business Day (T+1). The amount that you will receive is calculated by the withdrawal value less the Withdrawal Penalty, if any.

Under normal circumstances, you will be paid in the currency of the Class (e.g. Class USD will be paid in USD) within eleven (11) Business Days of receipt of the complete withdrawal request. This process involves the submission of the Fund's withdrawal request to the Target Fund in which the Target Fund will process within three (3) Business Days, but in any event within ten (10) Business Days of receipt of the complete withdrawal request, should any the following events occur:
(i) the Target Fund's NAV is suspended during any period [Note 1]; or
(ii) withdrawal proceeds from the Target Fund is deferred [Note 2].

Subsequently, payment will be made to you after receipt of the withdrawal proceeds from Target Fund. Nonetheless, we will pay the withdrawal proceeds to you within five (5) Business Days from the receipt of withdrawal proceeds from the Target Fund.

Note 1: *The directors of NIF may temporarily suspend the issue, valuation, sale, purchase, redemption or conversion of shares and/or the payment of redemption proceeds during exceptional circumstances (as described in section 2.7 "Temporary Suspension of Dealings"). No share of the Target Fund may be issued, redeemed or switched during a period of suspension.*

Note 2: *This refers to situations where withdrawal proceeds from the Target Fund is deferred due to the occurrence of unexpected issues including but not limited to technical issues and/or foreign market-related issues which may affect the trading of the Target Fund. The Target Fund Investment Manager may limit the total number redemption requests to ten percent (10%) of the Target Fund's shares in issue on any dealing day. In such circumstances, the redemption of shares may be deferred to the subsequent dealing day provided always that the redemption requests on that day does not exceed the ten percent (10%) Redemption Ceiling.*

Please refer to section 2.6 "Information Specific to Redemptions", section 2.7 "Temporary Suspension of Dealings", section 2.8 "Adjustment of Valuations and Swing Pricing" and section 2.9 "Termination of the Target Fund" for more information. If in doubt, please consult your professional advisers.

4.7. MINIMUM BALANCE

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

4.8. COOLING-OFF PERIOD

For first time individual investor investing with us, you have six (6) Business Days after your initial investment (i.e. from the date the complete application is received and accepted by us or any of our Distributors) to reconsider its appropriateness and suitability for your investment needs. Within this period, you may withdraw your investment at the same NAV per unit when the units were purchased or prevailing NAV per unit at the point of cooling-off (whichever is lower) ("Refund Amount"). Please note that the cooling-off right is only given to first time investor investing with us or any of our Distributors. However, Principal Malaysia's staff or a person registered with a body approved by the SC to deal in unit trusts are not entitled to the cooling-off right.

We will pay the Refund Amount including the Application Fee (if any) to you in the currency of the respective Class within eleven (11) Business Days of receipt of the complete withdrawal request. This process involves the submission of the Fund's withdrawal request to the Target Fund in which the Target Fund will process within three (3) Business Days, but in any event within ten (10) Business Days of receipt of the complete withdrawal request, should any the following events occur:
(i) the Target Fund's NAV is suspended during any period [Note 1]; or
(ii) withdrawal proceeds from the Target Fund is deferred [Note 2].

Subsequently, payment will be made to you after receipt of the withdrawal proceeds from Target Fund. Nonetheless, we will pay the withdrawal proceeds to you within five (5) Business Days from the receipt of withdrawal proceeds from the Target Fund.

Note 1: *The directors of NIF may temporarily suspend the issue, valuation, sale, purchase, redemption or conversion of shares and/or the payment of redemption proceeds during exceptional circumstances (as described in section 2.7 "Temporary Suspension of Dealings"). No share of the Target Fund may be issued, redeemed or switched during a period of suspension.*

Note 2: *This refers to situations where withdrawal proceeds from the Target Fund is deferred due to the occurrence of unexpected issues including but not limited to technical issues and/or foreign market-related issues which may affect the trading of the Target Fund. The Target Fund Investment Manager may limit the total number redemption requests to ten percent (10%) of the Target Fund's shares in issue on any dealing day. In such circumstances, the redemption of shares may be deferred to the subsequent dealing day provided always that the redemption requests on that day does not exceed the ten percent (10%) Redemption Ceiling.*

Please refer to section 2.6 "Information Specific to Redemptions", section 2.7 "Temporary Suspension of Dealings", section 2.8 "Adjustment of Valuations and Swing Pricing" and section 2.9 "Termination of the Target Fund" for more information. If in doubt, please consult your professional advisers.

4.9. SWITCHING

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

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

4.9.1. Processing a switch

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

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

4.10. TRANSFER FACILITY

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

4.11. TEMPORARY SUSPENSION

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

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

(i) Suspension of redemption of the Target Fund as set out in section 2.7 above; or
(ii) the closure of a securities exchange or trading restrictions in the securities exchange of the markets where the Target Fund has substantial investments; or
(iii) an emergency or other state of affairs; or
(iv) the declaration of a moratorium in a country where that Fund has assets; or
(v) for the purpose of conversion of any currency, a closure or restrictions on trading in the relevant foreign market exchange; or
(vi) the realisation of the assets of the Fund not being able to be effected at prices which are fair to the Fund and/or within a reasonable period as a result of an unstable or disorderly market.

Please note that during the suspension period, there will be no NAV per unit available and hence, we will not accept any transactions for the applications, withdrawals, switches and/or transfers of units. If we have earlier accepted your request for applications, withdrawals, switches, and/or transfers of units before the suspension is declared, please note that your request will only be processed on the next Business Day after the cessation of suspension of the Fund. You will also be notified of the suspension and when the suspension is lifted. In such case, you will not be able to redeem your units and will be compelled to remain invested in the Fund for a longer period of time than original timeline. Hence, your investments will continue to be subjected to the risks inherent to the Fund (please refer to the “Risk Factors” section).

Note: *Please refer to section 4.6.1 “Processing a withdrawal” in the event that the suspension of Target Fund, we may only pay you within five (5) Business Days from the receipt of withdrawal proceeds from the Target Fund.*

4.12. DISTRIBUTION PAYMENT

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

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

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

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

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

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

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

4.13. UNCLAIMED MONEYS

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

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

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

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

5. ADDITIONAL INFORMATION

5.1. FINANCIAL YEAR-END

30 April.

5.2. INFORMATION ON YOUR INVESTMENT

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

The Fund's annual report is available upon request.

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

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

You may obtain up-to-date fund information and NAV from our monthly fund fact sheets and our website at **www.principal.com.my.**

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

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

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

5.3. DEED

The Fund is governed by the Principal Deed dated 28 December 2020, the First Supplemental Deed dated 2 February 2024, the Second Supplemental Deed dated 18 May 2026, the Third Supplemental Deed dated 26 May 2026 including any other supplemental deed(s) as may be issued from time to time.

5.4. DOCUMENTS AVAILABLE FOR INSPECTION

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

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

- The audited financial statements of the Manager for the current financial year and for the last three (3) financial years or if less than three (3) years, from the date of incorporation or commencement;
- Writ and relevant cause papers for all current material litigation and arbitration disclosed in this Prospectus; and
- Consent given by experts disclosed in this Prospectus, if any.

5.5. CONSENT

Ernst & Young Tax Consultants Sdn. Bhd., HSBC (Malaysia) Trustee Berhad and Neuberger Asset Management Ireland Limited. 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 this 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 Prospectus.

5.6. POTENTIAL CONFLICTS OF INTERESTS AND RELATED PARTY TRANSACTIONS

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

We shall not act as principal in the sale and purchase of any securities or investments to and from the Fund. We shall not make any investment for the Fund in any securities, properties or assets in which we or our officer has financial interest in or from which we or our officer derives a benefit, unless with the prior approval of the Trustee. We (including our directors) who hold substantial shareholdings or directorships in public companies shall refrain from any decision making relating to that particular investment of the Fund.

The Fund may maintain Deposits with CIMB Bank Berhad and CIMB Investment Bank Berhad. We may enter into transactions with other companies within CIMB Group and the PFG provided that the transactions are effected at terms which are the best available for the Fund and which are no less favourable to the Fund than an arm's length transaction between independent parties.

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

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

Trustee

As the trustee and service provider for the Fund, there may be related party transactions involving or in connection with the Fund in the following events:
(1) where the Fund invests in instrument(s) offered by the related party of the Trustee (e.g. placement of monies, transferable securities , etc.);
(2) where the Fund is being distributed by the related party of the Trustee;
(3) where the assets of the Fund are being custodised by the related party of the Trustee both as sub-custodian and/or global custodian of the Fund (i.e. Trustee's delegate); and
(4) where the Fund obtains financing as permitted under the GUTF, from the related party of the Trustee.

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

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

5.7. INTERESTS IN THE FUND

Subject to any legal requirement, we or any of our related corporation, or any of our officers or directors, may invest in the Fund. Our directors will receive no payments from the Fund other than distributions that they may receive as a result of investment in the Fund. No fees other than the ones set out in this Prospectus have been paid to any promoter of the Fund, or the Trustee (either to become a trustee or for other services in connection with the Fund), or us for any purpose.

5.8. EMPLOYEES' SECURITIES DEALINGS

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

6. THE MANAGER

6.1. ABOUT PRINCIPAL ASSET MANAGEMENT BERHAD

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

The primary roles, duties and responsibilities of Principal Malaysia as the Manager of the Fund include:
- maintaining a register of Unit holders;
- implementing the appropriate investment strategies to achieve the Fund's objective;
- ensuring that the Fund has sufficient holdings in liquid assets;
- arranging for the sale and withdrawal of units;
- calculating the amount of income to be distributed to Unit holders, if any; and
- maintaining proper records of the Fund.

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

6.1.1. The name and designation of each of the directors can be found in our website at *www.principal.com.my/en/about-us/leadership*.

6.1.2. Designated person responsible for fund management function

Name:	Lee Chun Hong
Designation:	Chief Investment Officer, Equities - Malaysia
Experience:	Chun Hong has more than 19 years of experience in fund management and equity research. He joined Principal Asset Management Berhad in 2017 to manage unit trust funds and institutional mandates covering Malaysian and ASEAN markets. Prior to that, he was attached to Libra Invest Bhd managing and supervising Unit Trust and Research divisions that covered ASEAN and China-Hong Kong markets. He commenced his career in fund management industry at Public Mutual Bhd. He had research responsibilities for regional plantation and consumer sectors, as well as research country coverage of ASEAN markets. Subsequently, he moved on to portfolio management specialising on ASEAN markets. He started covering ASEAN markets since 2010. He was also previously with PricewaterhouseCoopers as an auditor. Chun Hong holds a Bachelor of Commerce (Accounting & Finance), Monash University, Clayton Campus. He is a Chartered Financial Analyst (CFA) charter holder.
Qualifications:	• Bachelor of Commerce (Accounting & Finance) - Monash University, Clayton Campus. • A CFA Charterholder. • Ex-member of CPA Australia.

Note: *For more information and/or updated information, please refer to our website at* ***www.principal.com.my****.*

7. THE TRUSTEE

7.1. ABOUT HSBC (MALAYSIA) TRUSTEE BERHAD

HSBC (Malaysia) Trustee Berhad is a company incorporated in Malaysia since 1937 and is registered as a trust company under the Trust Companies Act 1949, with its registered address at Level 19, Menara IQ, Lingkaran TRX, 55188 Tun Razak Exchange, Kuala Lumpur.

Since 1993, the Trustee has acquired experience in the administration of unit trusts and has been appointed as trustee for unit trust funds, exchange traded funds, wholesale funds and funds under private retirement scheme.

7.1.1. Duties and Responsibilities of the Trustee

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

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

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

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

7.1.2. Trustee's Delegate

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

7.1.3. Trustee's Disclosure of Material Litigation

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

7.1.4. Trustee's Statement of Responsibility

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

8. SALIENT TERMS OF DEED

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

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

8.1. RIGHTS, LIABILITIES AND LIMITATION OF UNIT HOLDERS

8.1.1. Rights

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

(i) to inspect the register, free of charge, at any time at our registered office, and obtain such information pertaining to your units as permitted under the Deed and the GUTF;

(ii) to receive the distribution of the Fund (if any), participate in any increase in the value of the units and to enjoy such other rights and privileges as set out in the Deed;

(iii) to call for Unit holders' meetings;

(iv) to vote for the removal of the Trustee or the Manager through a Special Resolution;

(v) to receive annual reports, interim reports or any other reports of the Fund; and

(vi) to exercise cooling-off for qualified investors.

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

8.1.2. Liabilities

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

(ii) The recourse of the Trustee, ours and any creditor is limited to the assets of the Fund.

8.1.3. Limitations

You cannot:

(i) interfere with any rights or powers of ours and/or Trustee's under the Deed;

(ii) exercise a right in respect of an asset of the Fund or lodge a caveat or other notice affecting the asset of the Fund or otherwise claim any interest in the asset of the Fund; or

(iii) require the asset of the Fund to be transferred to you.

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

8.2. MAXIMUM FEES AND CHARGES AND EXPENSES PERMITTED BY THE DEED

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

Charges		Descriptions
(1)	Application Fee	Up to 6.50% is charged on the NAV per unit.
(2)	Withdrawal Penalty	Up to 3.00% is charged on the NAV per unit.
(3)	Switching Fee	Up to 6.50% is charged on the NAV per unit. An administrative fee (if any) in relation to switching may be charged as set out in the Prospectus.

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

Fees		Descriptions
(1)	Management Fee	Up to 3.00% per annum, calculated daily on the NAV of the Class.
(2)	Trustee Fee	Up to 0.03% per annum, calculated daily on the NAV of the Fund (including local custodian fee but excluding foreign sub-custodian fees and charges).

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

Any increase of the fees and/or charges above that stated in the current Prospectus may be made provided that a supplemental 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 your approval.

8.2.1. Expenses permitted by the Deed

The Deed also provides for payment of other expenses, which include (without limitation) expenses connected with:
- 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 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 of the fund;
- remuneration and out of pocket expenses of the person(s) undertaking the oversight functions of the Fund or advisers (if any) of the Funds, unless we decide to bear the same;
- fees incurred for the fund valuation and accounting of the Fund performed by a fund valuation agent;
- costs incurred for the modification of the Deeds otherwise than those our benefit or the Trustees';
- costs incurred for any meeting of Unit holders other than those convened for our benefit 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 or Class 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 Class or any asset, including proceedings against us or the Trustees by the other of them for the benefit of the Funds or Class (except to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed out of the 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;
- costs of obtaining experts opinion by us or the Trustees for the benefit of the Funds or Class;
- the costs of printing and dispatching to Unit Holders the accounts of the Funds, tax certificates, distribution warrants, notices of meeting of unit holders, newspaper advertisement and such other similar costs as may be approved by the Trustee.

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

8.3. RETIREMENT, REMOVAL OR REPLACEMENT OF THE MANAGER

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

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

We shall retire under the following circumstances:
- if a Special Resolution is duly passed by the Unit holders that we are to be removed; or
- if we cease to be approved by the SC to be the management company of unit trust schemes.

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

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

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

8.4. RETIREMENT, REMOVAL OR REPLACEMENT OF THE TRUSTEE

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

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

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

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

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

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

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

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

(a) the SC's authorization is withdrawn under Section 256E of the CMSA;
(b) a Special Resolution is passed at a Unit holders' meeting of all the Unit holders of the Fund or the relevant Class to terminate or wind-up the Fund or that Class as the case may be, following the occurrence of events stipulated under Section 301(1) of the CMSA and the court has confirmed the resolution, as required under Section 301(2) of the CMSA;
(c) a Special Resolution is passed at a Unit holders' meeting of all the Unit holders of the Fund or the relevant Class to terminate or wind-up the Fund or that Class as the case may be;
(d) on reaching the Fund's or that Class's maturity date (if any); or
(e) the effective date of an approved transfer scheme, as defined under the GUTF, has resulted in the Fund, which is the subject of the transfer scheme, being left with no asset/property.

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

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

8.6. MEETINGS OF UNIT HOLDERS

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

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

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

(a) by sending a notice by post, or where allowed by any relevant law and/or authority, digitally or electronically, of the proposed meeting at least seven (7) days before the date of the proposed meeting to each of those Unit holders of the Fund or that Class, as the case may be, at his/her last known address or in the case of joint Unit holder, to the joint Unit holder of the Fund or that Class, as the case may be, whose name stands first in our records at the joint Unit holder's last known address;
(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 national daily newspaper and in one other newspaper as may be approved by the SC; and
(c) specify in the notice, the place, time and terms of the resolutions to be proposed,

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

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

Voting is by a show of hands, unless a poll is duly demanded or the resolution proposed is required by the Deeds or by law to be decided by a percentage of all units. Each Unit holder of the Fund or of the Class present in person or by proxy has one (1) vote on a show of hands (irrespective of the Class). On a poll of a meeting of the Fund, the votes of each Unit Holder of the Fund, present in person or by proxy, shall be proportionate to the value of Unit held in the base currency as provided in the Deed. In the case of a Class meeting, on a poll, each Unit holder of that Class present in person or by proxy has one (1) vote for each whole fully paid unit held in that Class. In the case of joint Unit holders, 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 of that Class, voting shall only be carried out by poll.

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

9. TAXATION REPORT

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

12 May 2026

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

Dear Sirs

Taxation of the unit trust fund and unit holders

This letter has been prepared for inclusion in this Prospectus in connection with the offer of units in the unit trust known as Principal Next-G Connectivity Fund (hereinafter referred to as "the Fund").

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

Taxation of the Fund

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

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

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

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

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

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

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

where A is the total of the permitted expenses incurred for that basis period;

B is gross income consisting of dividend[1], interest and rent chargeable to tax for that basis period; and

C is the aggregate of the gross income consisting of dividend[1] and interest (whether such dividend or interest is exempt or not) and rent, and gains made from the realisation of investments (whether chargeable to tax or not) for that basis period,

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

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

Exempt income

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

- **Malaysian sourced dividends**

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

- **Malaysian sourced interest**

  (i) interest from securities or bonds issued or guaranteed by the Government of Malaysia;

  (ii) interest from debentures or *sukuk*, other than convertible loan stock, approved or authorized by, or lodged with, the Securities Commission;

  (iii) interest from Bon Simpanan Malaysia issued by Bank Negara Malaysia;

  (iv) interest derived from Malaysia and paid or credited by banks licensed under the Financial Services Act 2013 or the Financial Services Act 2013 [2];

  (v) interest derived from Malaysia and paid or credited by any development financial institution prescribed under the Development Financial Institutions Act 2002 [2];

  (vi) interest from *sukuk* originating from Malaysia, other than convertible loan stock, issued in any currency other than Ringgit and approved or authorized by, or lodged with, the Securities Commission or approved by the Labuan Financial Services Authority (LFSA) [3]; and

  (vii) interest which is specifically exempted by way of statutory orders or any other specific exemption provided by the Minister.

- **Discount**

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

Foreign-sourced income (FSI)

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

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

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

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

[2] Effective from 1 January 2019, the income tax exemption for a unit trust fund, pursuant to Paragraph 35A, Schedule 6 of the Income Tax Act, 1967 shall not apply to a wholesale fund which is a money market fund.

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

[4] "Cash" in this context is defined as banknotes, coins and cheques.

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

[6] "Foreign tax" includes withholding tax

[7] "Qualifying unit trust" in this context means a unit trust resident in Malaysia that is:

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

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

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

OR

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

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

Gains from the realisation of investments

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

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

<u>Capital assets situated in Malaysia</u>

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

<u>Capital assets situated outside Malaysia</u>

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

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

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

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

[8] "Management company" means a company licensed by the Securities Commission by which or on whose behalf a unit of a qualifying unit trust –
(a) has been or is proposed to be issued, or offered for subscription or purchase; or
(b) in respect of which an invitation to subscribed or purchase has been made.
and includes any person for the time being exercising the functions of the management company.

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

In addition to the above, the Income Tax (Unit Trust) (Exemption) Order 2024 [P.U.(A) 249] exempts a qualifying unit trust[9] resident in Malaysia from the payment of income tax in respect of any gains or profit received from the disposal of shares of a company incorporated in Malaysia which is not listed on the stock exchange and from the disposal of shares under section 15C of the MITA where such disposals occur between 1 January 2024 to 31 December 2028.

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

<u>CGT rates</u>

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

	Tax rates
A. Disposal of capital assets situated in Malaysia which was **acquired before 1 January 2024** • On chargeable income of the disposal • On gross disposal price	 10% 2%
B. Disposal of capital assets situated in Malaysia which was **acquired after 1 January 2024** • On chargeable income of the disposal	 10%
C. Disposal of capital assets situated outside Malaysia • On chargeable income of the disposal	 24% (prevailing tax rate of a unit trust)

Implementation of Sales and Service Tax ("SST")

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

Based on the Service Tax Regulations 2018, a unit trust fund is neither regarded as a taxable person nor as providing taxable services and is therefore not liable for SST registration. Where the Fund incurs expenses such as management fees, the management services provided by asset and fund managers who are licensed or registered with Securities Commission Malaysia for carrying out the regulated activity of fund management under the Capital Markets and Services Act 2007, are specifically excluded from the scope of Service Tax. As for other fees, such as trustee fees and other administrative charges, these may be subject to service tax[10] provided they fall within the scope of service tax (i.e. are provided by a "taxable person", who exceeds the required annual threshold (in most cases RM 500,000 per annum) and the services qualify as "taxable services").

[9] "Qualifying unit trust" in this context does not include a unit trust which is approved by the Securities Commission as a Real Estate Investment Trust or Property Trust Fund listed on Bursa Malaysia.

[10] Pursuant to Service Tax (Rate of Tax) (Amendment) Order 2024 [P.U. (A) 64], the service tax rate is increased from 6% to 8% with effect from 1 March 2024 on generally all of the taxable services except for provision of food and beverage services, telecommunication services, parking space and logistics services.

Taxation of unit holders

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

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

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

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

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

1. Taxable distributions

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

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

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

2. Non-taxable and exempt distributions

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

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

As stated above, with effect from 1 January 2024 (1 March 2024 for disposals of shares of a company incorporated in Malaysia not listed on the stock exchange), gains arising from the realisation of investments shall be treated as income of the Fund under Section 4(aa), pursuant to the proviso of Section 61(1)(b) of MITA.[12] However, pursuant to Section 61(1A) of MITA, unit holders will still not be charged to tax on the gains referred to in the proviso to Section 61(1)(b).

Rates of tax

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

Unit holders	Malaysian income tax rates
Malaysian tax resident: • Individual and non-corporate unit holders (such as associations and societies) • Co-operatives[11] • Trust bodies	 • Progressive tax rates ranging from 0% to 30% • Progressive tax rates ranging from 0% to 24% • 24%

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

Unit holders	Malaysian income tax rates
• Corporate unit holders (i) A company with paid up capital in respect of ordinary shares of not more than RM2.5 million (at the beginning of the basis period for the year of assessment) and gross income from a source or sources consisting of a business not exceeding RM50 million for the basis period for the year of assessment [12] [13] (ii) Companies other than (i) above	 • First RM150,000 of chargeable income @ 15% [14] • Next RM450,000 of chargeable income @17% • Chargeable income in excess of RM600,000 @ 24% • 24%
Non-Malaysian tax resident (Note 1): • Individual and non-corporate unit holders • Corporate unit holders and trust bodies	 • 30% • 24%

Note 1:
Non-resident unit holders may be subject to tax in their respective countries depending on the provisions of the tax legislation in the respective countries and any existing double taxation arrangements with Malaysia.

Gains from sale of units

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

Unit splits and reinvestment of distributions

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

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

****

[12] A company would not be eligible for the concessionary tax rate on the first RM600,000 of chargeable income if:-
(a) more than 50% of the paid-up capital in respect of the ordinary shares of the company is directly or indirectly owned by a related company which has paid-up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;
(b) the company owns directly or indirectly more than 50% of the paid-up capital in respect of the ordinary shares of a related company which has paid-up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;
(c) more than 50% of the paid-up capital in respect of the ordinary shares of the company and a related company which has a paid-up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment is directly or indirectly owned by another company.
(d) Pursuant to the Finance Act 2023, effective from the year of assessment 2024, in order for a company to qualify for the concessionary tax rates not more than 20% of the paid-up capital in respect of the ordinary shares of the company at the beginning of a basis period for a year of assessment can be directly or indirectly owned by one or more companies incorporated outside Malaysia or by individuals who are not citizens of Malaysia.

[13] The above excludes a business trust and a company which is established for the issuance of asset-backed securities in a securitization transaction approved by the Securities Commission.

[14] Pursuant to the Finance Act 2023, effective from the year of assessment 2023, the concessionary tax rate is reduced from 17% to 15% for the first RM150,000 of chargeable income.

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

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

Yours faithfully
Ernst & Young Tax Consultants Sdn Bhd

Bernard Yap
Partner

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

10. DISTRIBUTORS OF THE FUND

10.1. OUR BRANCHES

Main Branch
Northern Branch
Southern Branch
Sarawak Branch
Sabah Branch
Melaka Branch
Kuantan Branch
Kota Bharu Branch

*For information and updates on our branches, please contact our Customer Care Centre under the "Corporate Directory" section during business hour between 8:45 a.m. and 5:45 p.m. (Malaysian time) from Mondays to Fridays or refer to our website at **www.principal.com.my.***

10.2. PRINCIPAL DISTRIBUTORS

Nsg Wealth Advisors
No 8 Jalan BM 7/19
Seksyen 7
Bandar Bukit Mahkota
Kajang 43000 Selangor
Tel: (603) 8920 8277

Charisma Legacy
B-1-22 & B-2-22 & B-2-21
Block B 10 Boulevard
Jalan Cempaka Sungai Kayu Ara
47400 Petaling Jaya
Selangor
Tel: (603) 7722 3895

Platinum
E5-03 Empire Damansara
Jalan PJU 8/8
Damansara Perdana
47820 Petaling Jaya
Tel: (603) 7843 0506

AAAAA Wealth Builders
(formerly known as O-tye Group Consultans)
Lot C-615 & Lot C-616
Level 6 Block C Kelana Square
17 Jalan SS7/26
Kelana Jaya
47301 Petaling Jaya Selangor
Tel: (603) 7880 6893

Dynamics Wealth Advisors
(formerly known as Star Pesona Advisors)
(secondly knows as Professional 5 star wealth advisors)
Unit B-3A-1 Setiawangsa Business Suites
Jalan Setiawangsa 11
Taman Setiawangsa
54200 Kuala Lumpur
Tel: (603) 4256 6277

My Financial Freedom Advisors
(formerly known as M$G Prominent Consultants)
No.3A, Jalan Hentian 3
Pusat Hentian Kajang
43000 Kajang
Selangor
Tel: (603) 8741 4382

Megas
2-6A Jalan PJU 8/3A
Bandar Damansara Perdana
47820 Petaling Jaya
Selangor
Tel: (603) 7725 6320

Preferred Wealth Advisors
(formerly known as Titan Empire)
No 12-01 D'bayu Business Center
Jalan Serambi U8/24
Bukit Jelutong
40150 Shah Alam
Selangor
Tel: (603) 6142 8382

Amg Synergy Multiresources Sdn Bhd
3rd Floor
No 45 Jalan Teluk Sisek
25000 Kuantan Pahang
Tel: (609) 5161 430

Otye Xcellence Consultants
Lot No 35-2 2nd Floor
Jalan Sepah Puteri 5/1B
Pusat Dagangan Seri Utama
PJU 5 Kota Damansara
47410 Selangor
Tel: (603) 6140 3046

Elite Group Consultants
No 6-2 Jalan Dagang 1/1A
Taman Dagang

Prestige Wealth Advisors
I-91-2 Block I
Jalan Teknologi 3/9

68000 Ampang
Selangor
Tel: (603) 4251 1129

Success Concepts Life Planners
J-06-01 Level 6 Block J
Solaris Mont' Kiara
Jalan Solaris
50480 Kuala Lumpur
Tel: (603) 6204 0113

Aces Advisors
Unit D5-6 Ritze Perdana 1
Jalan PJU 8/2
Damansara Perdana
47820 Petaling Jaya, Selangor
Tel: (6016) 2292 342

GVG Solution Agency
No. 12-01 Jalan Setia Tropika 1/29
Taman Setia Tropika
Johor Bahru
81200 Johor
Tel: (607) 2326 976

Tremendous Wealth Advisors
No 11 Level 2
Jalan Pelabur B 23/B
Section 23
40300 Shah Alam
Selangor Darul Ehsan
Tel: (603) 5480 0296

Soha Barakah Wealth Consultancy
No 55-2, 57-2, 59-2
Jalan Tu 49A Taman Tasik Utama
Ayer Keroh
75450 Melaka
Tel: (606) 2533 289

Evoque Wealth Advisors
2nd Floor No 32A-2 Jalan PJU 5/20d The Strand
Pusat Perdagangan Kota Damansara
Kota Damansara PJU 5
47810 Petaling Jaya
Selangor
Tel: (603) 6151 9512

Premierone Wealth
No 527-1 Jalan Pusat Bandar Senawang
Pusat Bandar Senawang
70450 Senawang
Negeri Sembilan
Tel: (606) 6718 253

Charisma Legacy 1
B-3-21 Block Bougainvellea
10 Boulevard Lebuhraya Sprint PJU 6A
47400 Petaling Jaya
Selangor
Tel: (603) 7733 5009

Nrich Wealth Advisory Group
ZP-02-12 Zest Point
Lebuhraya Bukit Jalil
Bandar Kinrara
47180 Puchong
Selangor
Tel: (603) 8074 8485

Kota Damansara
47810 Petaling Jaya
Selangor
Tel: (603) 6140 7275

Magnificent Champion Agency Office
47A, Tingkat 1
Jalan Badminton 13/29
Seksyen 13, Shah Alam
40100 Selangor
Tel: (603) 5523 2693

Premier Wealth Advisors
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Biz Avenue Seremban 2
70300 Seremban
Negeri Sembilan
Tel: (606) 6015 749

My IFP Kemaman
PT 10725, Ground Floor
Jalan Kubang Kurus
Taman Cukai Utama Fasa 4
24000 Kemaman
Terengganu
Tel: (609) 8589 911

Wealth Resources Group Advisors
No 41B 3B Curve Business Park
Medan Pusat Bandar 2D Seksyen 9
43650 Bandar Baru Bangi
Selangor
Tel: (603) 8926 4155

GVG Pasir Gudang Solution
No 38-01 Jalan Serangkai 18
Taman Bukit Dahlia
81700 Pasir Gudang
Johor
Tel: (6012) 7076 107

KPG Management Resources
19-1 Jalan Adenium 2G/9
Adenium Business Center
Bukit Beruntung
48300 Rawang
Selangor
Tel: (603) 6021 7385

Victorious Agency
33-01 Jalan Tampoi Susur 1
81200 Johor Bahru
Johor
Tel: (6011) 1211 840

KPG Elite Billionaire
No 15-1 Jalan Adenium 2g/9
Adenium Business Centre
48300 Bukit Beruntung
Rawang Selangor
Tel: (603) 6021 7188

Charisma Legacy 3
B-3-17 Blok Bouganvilla 10 Boulevard
Lebuh Raya Sprint Pju 6A Kayu Ara
Damansara Jaya
47400 Petaling Jaya
Selangor
Tel: (603) 7733 4211

Synergy Wealth Entrepreneur
98-2 Jalan Dwitasik
Dataran Dwitasik
Bandar Sri Permaisuri
Cheras
56000 Kuala Lumpur
Tel: (603) 9226 5344

KPG Capital Growth Solution
No 15-1 Jalan Adenium 2G/9
Adenium Business Centre
48300 Bukit Beruntung
Rawang Selangor
Tel: (603) 6021 7188

NZ Group
PT 650 1st & 2nd Floor
Jalan Sri Cemerlang
Seksyen 27
15300 Kota Bharu
Kelantan
Tel: (609) 7476 932

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No 98 Second Floor
Jalan Legenda 1
Legenda Heights
08000 Sungai Petani
Kedah
Tel: (604) 4246 042

Millionaire Empire Group
23-1 Jalan Rejang 4
Setapak Jaya
53300 Kuala Lumpur
Tel: (603) 4141 6644

Charisma Legacy Kota Bharu
PT1671 & 1672 Tingkat 2
Jalan Raja Perempuan Zainab 2
Kubang Kerian
16150 Kota Bharu
Kelantan
Tel: (6016) 2236 343

Global Amazing Entrepreneur
C-10-2 & C-11-2
Bangi Gateway Shopping Complex
Persiaran Pekililing Seksyen 15
43650 Bandar Baru Bangi
Selangor
Tel: (603) 8920 9038

Charisma Legacy 2
B-3-25 Block Bougainvillea
10 Boulevard Lebuhraya Sprint
PJU 6A
47400 Petaling Jaya
Selangor
Tel: (603) 7733 2460

Sa@7
No. 35B-2 (2nd Floor)
Jalan Keluli Am 7/AM
Pusat Perniagaan Bukit Raja Seksyen 7
400000 Shah Alam
Selangor
Tel: (603) 3341 4978

Finaims
Suite 3a Level 4 Starling Mall
Damansara Uptown
47400 Petaling Jaya
Selangor
Tel: (6013) 3257 653

10.3. IUTA

CIMB Bank Berhad
CIMB Private Banking
IFAST Capital Sdn. Bhd.
OCBC Bank (Malaysia) Berhad
Phillip Mutual Berhad
UOB Kay Hian Securities (M) Sdn Bhd

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

ANNEXURE - CLASS USD

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

CLASS INFORMATION

Class USD		Page
Currency denomination	USD	
Distribution policy	Given the Fund's investment objective, the Class is not expected to pay any distribution. Distributions, if any, are at our discretion and will vary from period to period depending on the availability of its distributable income for distribution and performance of the Fund. *Note: The Class may distribute from realised income, realised capital gains, capital (which may include distributable income which has been accrued as at the end of a financial year but is not declared and paid as distribution at the next distribution date immediately after that financial year end) or a combination of any of the above. We reserve the right to vary the frequency and/or amount of distributions.*	55

FEES & CHARGES

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

Charges	Class USD	Page
Application Fee	Up to 5.00% of the NAV per unit.	45
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.	45
Switching Fee	Switching is treated as a withdrawal from Class USD and an investment into another Class or Principal Malaysia's fund (or its class). As such, you will be charged a switching fee equal to the difference (if any) between the Application Fee of Class USD and the Application Fee of the other Class or Principal Malaysia's fund (or its class) to be switched into. switching fee will not be charged if the Class or Principal Malaysia's fund (or its class) to be switched into has a lower Application Fee. In addition, we may impose USD35 as the administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fee with us or our Distributors. We also have the discretion to waive the Switching Fee and/or administrative fee.	45
Transfer Fee	A maximum of USD15 may be charged for each transfer.	45
Other charges payable directly by you when purchasing or withdrawing the units	Any applicable bank charges and other bank fees incurred as a result of an investment or withdrawal will be borne by you.	

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

Fees	Class USD	Page
Management Fee	Up to 1.80% per annum of the NAV of the Class.	45
Trustee Fee	Up to 0.03% per annum (including local custodian fee but excluding foreign sub-custodian fee and charges).	46
Expenses directly related to Fund or Class	Only expenses that are directly related to the Fund or Class can be charged to the Fund or Class respectively. Examples of relevant expenses are audit fee and tax agent's fee.	46
Other fees payable indirectly by you when investing in the Fund	Other fees indirectly incurred by a feeder fund such as dilution adjustment, annual depositary fees and transaction fees of the Target Fund. As such, you are indirectly bearing the dilution adjustment, depositary fees and transaction fees charged at the Target Fund level.	46

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

TRANSACTION INFORMATION

	Class USD	Page
Minimum initial investment	USD100 or such other amount as we may decide from time to time.	52
Minimum additional investment	USD100 or such other amount as we may decide from time to time.	52
Minimum withdrawal	100 units or such other amount as we may decide from time to time.	53
Minimum balance	100 units or such other amount as we may decide from time to time.	53
Regular Savings Plan	Currently, RSP is not available.	52
Cooling-off period	For first time individual investor investing with us, you have six (6) Business Days after your initial investment (i.e. from the date the complete application is received and accepted by us or any of our Distributors) to reconsider its appropriateness and suitability for your investment needs. Within this period, you may withdraw your investment at the same NAV per unit when the units were purchased or prevailing NAV per unit at the point of cooling-off (whichever is lower) ("Refund Amount"). We will pay the Refund Amount including the Application Fee (if any) to you in the currency of the respective Class within eleven (11) Business Days of receipt of the complete withdrawal request. This process involves the submission of the Fund's withdrawal request to the Target Fund in which the Target Fund will process within three (3) Business Days, but in any event within ten (10) Business Days if any of the unexpected issues occur such as technical issues, foreign market related issues which may affect the trading of the Target Fund. Subsequently, payment will be made to you after receipt of the withdrawal proceeds from Target Fund. Nonetheless, we may pay the withdrawal proceeds to you within five (5) Business Days from the receipt of withdrawal proceeds from the Target Fund.	53
Switching	Switching will be conducted based on the value of your investment in the Class. The minimum amount for a switch is subject to: ▪ for switching out of the Class: o the minimum withdrawal applicable to the Class; o the minimum balance required (after the switch) for the Class, unless you are withdrawing from the Class in entirety; and o the Withdrawal Penalty of the Class (if any); ▪ for switching into the Class: o the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Class; and o the switching fee applicable for the proposed switch (if any). You may negotiate to lower the amount for your switch with us or our Distributors.	54
Transfer	We may, at our absolute discretion allow or refuse transfer of units subject to such terms and conditions as may be stipulated in the Deed.	54

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

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

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

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

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

ANNEXURE - CLASS AUD-HEDGED

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

CLASS INFORMATION

Class AUD-Hedged		Page
Currency denomination	AUD	
Distribution policy	Given the Fund's investment objective, the Class is not expected to pay any distribution. Distributions, if any, are at our discretion and will vary from period to period depending on the availability of its distributable income for distribution and performance of the Fund. *Note: The Class may distribute from realised income, realised capital gains, capital (which may include distributable income which has been accrued as at the end of a financial year but is not declared and paid as distribution at the next distribution date immediately after that financial year end) or a combination of any of the above. We reserve the right to vary the frequency and/or amount of distributions.*	55

FEES & CHARGES

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

Charges	Class AUD-Hedged	Page
Application Fee	Up to 5.00% of the NAV per unit.	45
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.	45
Switching Fee	Switching is treated as a withdrawal from this Class and an investment into another Class or Principal Malaysia's fund (or its class). As such, you may be charged a Switching Fee equal to the difference (if any) between the Application Fee of this Class and the Application Fee of the other Class or Principal Malaysia's fund (or its class). Switching Fee will not be charged if the Class or Principal Malaysia's fund (or its class) to be switched into has a lower Application Fee. In addition, we may impose AUD35 as the administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fee with us or our Distributors. We also have the discretion to waive the Switching Fee and/or administrative fee.	45
Transfer Fee	A maximum of AUD15 may be charged for each transfer.	45
Other charges payable directly by you when purchasing or withdrawing the units	Any applicable bank charges and other bank fees incurred as a result of an investment or withdrawal will be borne by you.	

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

Fees	Class AUD-Hedged	Page
Management Fee	1.80% per annum of the NAV of the Class in Malaysia.	45
Trustee Fee	0.03% per annum (including local custodian fees and charges but excluding foreign sub-custodian fees and charges) on the NAV of the Fund. The foreign sub-custodian fees and charges is dependent on the country invested and is charged monthly in arrears.	46
Expenses directly related to the Fund or Class	Only expenses that are directly related to the Fund or Class can be charged to the Fund or Class respectively. Examples of relevant expenses are audit fee and tax agent's fee.	46
Other fees payable indirectly by you when investing in the Fund	Other fees indirectly incurred by a feeder fund such as dilution adjustment, annual depositary fees and transaction fees of the Target Fund. As such, you are indirectly bearing the dilution adjustment, depositary fees and transaction fees charged at the Target Fund level.	46

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

TRANSACTION INFORMATION

	Class AUD-Hedged	Page
Minimum initial investment	AUD100 or such other amount as we may decide from time to time.	52
Minimum additional investment	AUD100 or such other amount as we may decide from time to time.	52
Minimum withdrawal	100 units or such other amount as we may decide from time to time.	53
Minimum balance	100 units or such other amount as we may decide from time to time.	53
Regular Savings Plan	Currently, RSP is not available for this Class.	52
Cooling-off period	For first time individual investor investing with us, you have six (6) Business Days after your initial investment (i.e. from the date the complete application is received and accepted by us or any of our Distributors) to reconsider its appropriateness and suitability for your investment needs. Within this period, you may withdraw your investment at the same NAV per unit when the units were purchased or prevailing NAV per unit at the point of cooling-off (whichever is lower) ("Refund Amount"). We will pay the Refund Amount including the Application Fee (if any) to you in the currency of the respective Class within eleven (11) Business Days of receipt of the complete withdrawal request . This process involves the submission of the Fund's withdrawal request to the Target Fund in which the Target Fund will process within three (3) Business Days, but in any event within ten (10) Business Days if any of the unexpected issues occur such as technical issues, foreign market related issues which may affect the trading of the Target Fund. Subsequently, payment will be made to you after receipt of the withdrawal proceeds from Target Fund. Nonetheless, we may pay the withdrawal proceeds to you within five (5) Business Days from the receipt of withdrawal proceeds from the Target Fund.	53
Switching	Switching will be conducted based on the value of your investment in the Class. The minimum amount for a switch is subject to: ▪ for switching out of the Class: o the minimum withdrawal applicable to the Class; o the minimum balance required (after the switch) for the Class, unless you are withdrawing from the Class in entirety; and o the Withdrawal Penalty of the Class (if any); ▪ for switching into the Class: o the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Class; and o the Switching Fee applicable for the proposed switch (if any). You may negotiate to lower the amount for your switch with us or our Distributors.	54
Transfer	We may, at our absolute discretion, allow or refuse transfer of units subject to such terms and conditions as may be stipulated in the Deed.	54

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

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

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

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

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

ANNEXURE - CLASS GBP-HEDGED

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

CLASS INFORMATION

Class GBP-Hedged		Page
Currency denomination	GBP	
Distribution policy	Given the Fund's investment objective, the Class is not expected to pay any distribution. Distributions, if any, are at our discretion and will vary from period to period depending on the availability of its distributable income for distribution and performance of the Fund. *Note: The Class may distribute from realised income, realised capital gains, capital (which may include distributable income which has been accrued as at the end of a financial year but is not declared and paid as distribution at the next distribution date immediately after that financial year end) or a combination of any of the above. We reserve the right to vary the frequency and/or amount of distributions.*	55

FEES & CHARGES

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

Charges	Class GBP-Hedged	Page
Application Fee	Up to 5.00% of the NAV per unit.	45
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.	45
Switching Fee	Switching is treated as a withdrawal from this Class and an investment into another Class or Principal Malaysia's fund (or its class). As such, you may be charged a Switching Fee equal to the difference (if any) between the Application Fee of this Class and the Application Fee of the other Class or Principal Malaysia's fund (or its class). Switching Fee will not be charged if the Class or Principal Malaysia's fund (or its class) to be switched into has a lower Application Fee. In addition, we may impose GBP35 as the administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fee with us or our Distributors. We also have the discretion to waive the Switching Fee and/or administrative fee.	45
Transfer Fee	A maximum of GBP15 may be charged for each transfer.	45
Other charges payable directly by you when purchasing or withdrawing the units	Any applicable bank charges and other bank fees incurred as a result of an investment or withdrawal will be borne by you.	

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

Fees	Class GBP-Hedged	Page
Management Fee	1.80% per annum of the NAV of the Class in Malaysia.	45
Trustee Fee	0.03% per annum (including local custodian fees and charges but excluding foreign sub-custodian fees and charges) on the NAV of the Fund. The foreign sub-custodian fees and charges is dependent on the country invested and is charged monthly in arrears.	46
Expenses directly related to the Fund or Class	Only expenses that are directly related to the Fund or Class can be charged to the Fund or Class respectively. Examples of relevant expenses are audit fee and tax agent's fee.	46
Other fees payable indirectly by you when investing in the Fund	Other fees indirectly incurred by a feeder fund such as dilution adjustment, annual depositary fees and transaction fees of the Target Fund. As such, you are indirectly bearing the dilution adjustment, depositary fees and transaction fees charged at the Target Fund level.	46

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

TRANSACTION INFORMATION

	Class GBP-Hedged	Page
Minimum initial investment	GBP100 or such other amount as we may decide from time to time.	52
Minimum additional investment	GBP100 or such other amount as we may decide from time to time.	52
Minimum withdrawal	100 units or such other amount as we may decide from time to time.	53
Minimum balance	100 units or such other amount as we may decide from time to time.	53
Regular Savings Plan	Currently, RSP is not available for this Class.	52
Cooling-off period	For first time individual investor investing with us, you have six (6) Business Days after your initial investment (i.e. from the date the complete application is received and accepted by us or any of our Distributors) to reconsider its appropriateness and suitability for your investment needs. Within this period, you may withdraw your investment at the same NAV per unit when the units were purchased or prevailing NAV per unit at the point of cooling-off (whichever is lower) ("Refund Amount"). We will pay the Refund Amount including the Application Fee (if any) to you in the currency of the respective Class within eleven (11) Business Days of receipt of the complete withdrawal request . This process involves the submission of the Fund's withdrawal request to the Target Fund in which the Target Fund will process within three (3) Business Days, but in any event within ten (10) Business Days if any of the unexpected issues occur such as technical issues, foreign market related issues which may affect the trading of the Target Fund. Subsequently, payment will be made to you after receipt of the withdrawal proceeds from Target Fund. Nonetheless, we may pay the withdrawal proceeds to you within five (5) Business Days from the receipt of withdrawal proceeds from the Target Fund.	53
Switching	Switching will be conducted based on the value of your investment in the Class. The minimum amount for a switch is subject to: ▪ for switching out of the Class: o the minimum withdrawal applicable to the Class; o the minimum balance required (after the switch) for the Class, unless you are withdrawing from the Class in entirety; and o the Withdrawal Penalty of the Class (if any); ▪ for switching into the Class: o the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Class; and o the Switching Fee applicable for the proposed switch (if any). You may negotiate to lower the amount for your switch with us or our Distributors.	54
Transfer	We may, at our absolute discretion, allow or refuse transfer of units subject to such terms and conditions as may be stipulated in the Deed.	54

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

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

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

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

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

ANNEXURE - CLASS MYR-HEDGED

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

CLASS INFORMATION

Class MYR-Hedged		Page
Currency denomination	MYR	
Distribution policy	Given the Fund's investment objective, the Class is not expected to pay any distribution. Distributions, if any, are at our discretion and will vary from period to period depending on the availability of its distributable income for distribution and performance of the Fund. *Note: The Class may distribute from realised income, realised capital gains, capital (which may include distributable income which has been accrued as at the end of a financial year but is not declared and paid as distribution at the next distribution date immediately after that financial year end) or a combination of any of the above. We reserve the right to vary the frequency and/or amount of distributions.*	55

FEES & CHARGES

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

Charges	Class MYR-Hedged	Page
Application Fee	Up to 5.00% of the NAV per unit.	45
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.	45
Switching Fee	Switching is treated as a withdrawal from this Class and an investment into another Class or Principal Malaysia's fund (or its class). As such, you may be charged a Switching Fee equal to the difference (if any) between the Application Fee of this Class and the Application Fee of the other Class or Principal Malaysia's fund (or its class). Switching Fee will not be charged if the Class or Principal Malaysia's fund (or its class) to be switched into has a lower Application Fee. In addition, we may impose MYR100 as the administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fee with us or our Distributors. We also have the discretion to waive the Switching Fee and/or administrative fee.	45
Transfer Fee	A maximum of MYR50.00 may be charged for each transfer.	45
Other charges payable directly by you when purchasing or withdrawing the units	Any applicable bank charges and other bank fees incurred as a result of an investment or withdrawal will be borne by you.	

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

Fees	Class MYR-Hedged	Page
Management Fee	1.80% per annum of the NAV of the Class in Malaysia.	45
Trustee Fee	0.03% per annum (including local custodian fees and charges but excluding foreign sub-custodian fees and charges) on the NAV of the Fund. The foreign sub-custodian fees and charges is dependent on the country invested and is charged monthly in arrears.	46
Expenses directly related to the Fund or Class	Only expenses that are directly related to the Fund or Class can be charged to the Fund or Class respectively. Examples of relevant expenses are audit fee and tax agent's fee.	46
Other fees payable indirectly by you when investing in the Fund	Other fees indirectly incurred by a feeder fund such as dilution adjustment, annual depositary fees and transaction fees of the Target Fund. As such, you are indirectly bearing the dilution adjustment, depositary fees and transaction fees charged at the Target Fund level.	46

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

	Class MYR-Hedged	Page
Minimum initial investment	MYR100 or such other amount as we may decide from time to time.	52
Minimum additional investment	MYR100 or such other amount as we may decide from time to time.	52
Minimum withdrawal	100 units or such other amount as we may decide from time to time.	53
Minimum balance	100 units or such other amount as we may decide from time to time.	53
Regular Savings Plan	RSP is available. The RSP allows you to make regular monthly investments of MYR100 or more, directly from your account held with a bank approved by us or our Distributors. The minimum initial investment for the RSP is MYR100 or such other amount as we may decide from time to time.	52
Cooling-off period	For first time individual investor investing with us, you have six (6) Business Days after your initial investment (i.e. from the date the complete application is received and accepted by us or any of our Distributors) to reconsider its appropriateness and suitability for your investment needs. Within this period, you may withdraw your investment at the same NAV per unit when the units were purchased or prevailing NAV per unit at the point of cooling-off (whichever is lower) ("Refund Amount"). We will pay the Refund Amount including the Application Fee (if any) to you in the currency of the respective Class within eleven (11) Business Days of receipt of the complete withdrawal request. This process involves the submission of the Fund's withdrawal request to the Target Fund in which the Target Fund will process within three (3) Business Days, but in any event within ten (10) Business Days if any of the unexpected issues occur such as technical issues, foreign market related issues which may affect the trading of the Target Fund. Subsequently, payment will be made to you after receipt of the withdrawal proceeds from Target Fund. Nonetheless, we may pay the withdrawal proceeds to you within five (5) Business Days from the receipt of withdrawal proceeds from the Target Fund.	53
Switching	Switching will be conducted based on the value of your investment in the Class. The minimum amount for a switch is subject to: ▪ for switching out of the Class: o the minimum withdrawal applicable to the Class; o the minimum balance required (after the switch) for the Class, unless you are withdrawing from the Class in entirety; and o the Withdrawal Penalty of the Class (if any); ▪ for switching into the Class: o the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Class; and o the Switching Fee applicable for the proposed switch (if any). You may negotiate to lower the amount for your switch with us or our Distributors.	54
Transfer	We may, at our absolute discretion, allow or refuse transfer of units subject to such terms and conditions as may be stipulated in the Deed.	54

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

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

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

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

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

ANNEXURE - CLASS SGD-HEDGED

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

CLASS INFORMATION

Class SGD-Hedged		Page
Currency denomination	SGD	
Distribution policy	Given the Fund's investment objective, the Class is not expected to pay any distribution. Distributions, if any, are at our discretion and will vary from period to period depending on the availability of its distributable income for distribution and performance of the Fund. *Note: The Class may distribute from realised income, realised capital gains, capital (which may include distributable income which has been accrued as at the end of a financial year but is not declared and paid as distribution at the next distribution date immediately after that financial year end) or a combination of any of the above. We reserve the right to vary the frequency and/or amount of distributions.*	55

FEES & CHARGES

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

Charges	Class SGD-Hedged	Page
Application Fee	Up to 5.00% of the NAV per unit.	45
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.	45
Switching Fee	Switching is treated as a withdrawal from this Class and an investment into another Class or Principal Malaysia's fund (or its class). As such, you may be charged a Switching Fee equal to the difference (if any) between the Application Fee of this Class and the Application Fee of the other Class or Principal Malaysia's fund (or its class). Switching Fee will not be charged if the Class or Principal Malaysia's fund (or its class) to be switched into has a lower Application Fee. In addition, we may impose SGD35 as the administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fee with us or our Distributors. We also have the discretion to waive the Switching Fee and/or administrative fee.	45
Transfer Fee	A maximum of SGD15 may be charged for each transfer.	45
Other charges payable directly by you when purchasing or withdrawing the units	Any applicable bank charges and other bank fees incurred as a result of an investment or withdrawal will be borne by you.	

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

Fees	Class SGD-Hedged	Page
Management Fee	1.80% per annum of the NAV of the Class in Malaysia.	45
Trustee Fee	0.03% per annum (including local custodian fees and charges but excluding foreign sub-custodian fees and charges) on the NAV of the Fund. The foreign sub-custodian fees and charges is dependent on the country invested and is charged monthly in arrears.	46
Expenses directly related to the Fund or Class	Only expenses that are directly related to the Fund or Class can be charged to the Fund or Class respectively. Examples of relevant expenses are audit fee and tax agent's fee.	46
Other fees payable indirectly by you when investing in the Fund	Other fees indirectly incurred by a feeder fund such as dilution adjustment, annual depositary fees and transaction fees of the Target Fund. As such, you are indirectly bearing the dilution adjustment, depositary fees and transaction fees charged at the Target Fund level.	46

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

TRANSACTION INFORMATION

	Class SGD-Hedged	Page
Minimum initial investment	SGD100 or such other amount as we may decide from time to time.	52
Minimum additional investment	SGD100 or such other amount as we may decide from time to time.	52
Minimum withdrawal	100 units or such other amount as we may decide from time to time.	53
Minimum balance	100 units or such other amount as we may decide from time to time.	53
Regular Savings Plan	Currently, RSP is not available for this Class.	52
Cooling-off period	For first time individual investor investing with us, you have six (6) Business Days after your initial investment (i.e. from the date the complete application is received and accepted by us or any of our Distributors) to reconsider its appropriateness and suitability for your investment needs. Within this period, you may withdraw your investment at the same NAV per unit when the units were purchased or prevailing NAV per unit at the point of cooling-off (whichever is lower) ("Refund Amount"). We will pay the Refund Amount including the Application Fee (if any) to you in the currency of the respective Class within eleven (11) Business Days of receipt of the complete withdrawal request . This process involves the submission of the Fund's withdrawal request to the Target Fund in which the Target Fund will process within three (3) Business Days, but in any event within ten (10) Business Days if any of the unexpected issues occur such as technical issues, foreign market related issues which may affect the trading of the Target Fund. Subsequently, payment will be made to you after receipt of the withdrawal proceeds from Target Fund. Nonetheless, we may pay the withdrawal proceeds to you within five (5) Business Days from the receipt of withdrawal proceeds from the Target Fund.	53
Switching	Switching will be conducted based on the value of your investment in the Class. The minimum amount for a switch is subject to: ▪ for switching out of the Class: o the minimum withdrawal applicable to the Class; o the minimum balance required (after the switch) for the Class, unless you are withdrawing from the Class in entirety; and o the Withdrawal Penalty of the Class (if any); ▪ for switching into the Class: o the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Class; and o the Switching Fee applicable for the proposed switch (if any). You may negotiate to lower the amount for your switch with us or our Distributors.	54
Transfer	We may, at our absolute discretion, allow or refuse transfer of units subject to such terms and conditions as may be stipulated in the Deed.	54

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

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

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

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

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

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