Principal®

Information Memorandum
19 August 2022

Principal Commodity Fund

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

This Information Memorandum Issue No. 1 for the Principal Commodity Fund is dated 19 August 2022.

This Fund was constituted on 29 July 2022.

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

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.

SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE LIKELIHOOD OF HIGH VOLATILITY OF INVESTMENT IN THE FUND DUE TO THE NATURE OF THE ASSET CLASS.

In alliance with CIMB

ABOUT THIS DOCUMENT

This is an information memorandum which introduces you to Principal Malaysia and the Fund, which is a wholesale fund. This Information Memorandum outlines in general the information you need to know about the Fund and is intended for the exclusive use by prospective Sophisticated Investors (as defined herein) who should ensure that all information contained herein remains confidential. The Fund is established with a multi-class structure and has more than one (1) class.

This Information Memorandum is strictly private and confidential and solely for your own use. It is not to be circulated to any third party. No offer or invitation to purchase the units of the Fund, the subject of this Information Memorandum, may be made to anyone who is not a Sophisticated Investor.

If you have any questions about the Fund, please call our Customer Care Centre during business hour at (03) 7723 7260 or whatsapp at +6016 2999792 between 8:45 a.m. and 5:45 p.m. (Malaysian time) from Mondays to Fridays.

Unless otherwise indicated, any reference in this Information Memorandum 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notices, legislations or statutes for the time being in force, as may be amended, varied, modified, updated, superseded and/or re-enacted from time to time.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 Information Memorandum shall be a reference to that time, day or date in Malaysia, unless otherwise stated. Reference to “days” in this Information Memorandum will be taken to mean calendar days unless otherwise stated.

As the base currency of the Fund is USD, please note that all references to currency amounts and NAV per unit in the Information Memorandum are in USD unless otherwise indicated.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IF YOU ARE IN DOUBT, PLEASE CONSULT YOUR PROFESSIONAL ADVISERS IMMEDIATELY.

DEFINITIONS

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

Application Fee	-	Preliminary charge on each investment.
AUD	-	Australian Dollar.
Business Day	-	Mondays to Fridays when Bursa Malaysia Securities Berhad is open for trading, and/or banks in Kuala Lumpur and/or Selangor are open for business. In respect of the Target Fund, it means a day on which the stock exchange in Luxembourg 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 our 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 issued by the Fund denominated in AUD that aims to minimize the effect of exchange rate fluctuations between the base currency of the Fund (i.e. USD) and AUD.
Class MYR-Hedged	-	The Class 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 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 issued by the Fund denominated in USD.
CMSA	-	Capital Markets and Services Act 2007.
Commencement Date	-	The next Business Day immediately following the end of the initial offer period of the respective Class.
Deed	-	The principal deed and all supplemental deed in respect of the Fund made between us and the Trustee, in which 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 and "Islamic deposit" in the Islamic Financial Services Act 2013.
Distributors	-	Any relevant persons and bodies appointed by Principal Malaysia from time to time, who are responsible for selling units of the Fund, including Principal Distributors and IUTA.
Fund or CF	-	Principal Commodity Fund.
GLOLA	-	Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC.
IMS	-	Investment Management Standards issued by the Federation of Investment Managers Malaysia.
Information Memorandum	-	Refers to the information in respect of the Fund and includes any supplemental information memorandum or replacement information memorandum, as the case may be.
IUTA	-	Refers to "Institutional Unit Trust Schemes Adviser", a corporation registered with Federation of Investment Managers Malaysia and authorised to market and distribute unit trust schemes of another party.
LPD	-	Latest Practicable Date i.e. 30 June 2022, 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	-	Malaysia 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 and annual Trustee Fee, the NAV of the Fund should be inclusive of the Management Fee and Trustee Fee for the relevant day.
NAV per unit	-	The NAV attributable to a Class of units divided by the number of units in circulation for that Class, at the valuation point.
OTC	-	Over-the-counter.

PFG	-	Principal Financial Group, Inc..
Principal Distributors	-	Refers to the unit trust scheme consultants of Principal Malaysia (authorised Principal Malaysia distributors).
Principal Malaysia, the Manager, we or us	-	Principal Asset Management Berhad.
RSP	-	Regular Savings Plan.
SC	-	Securities Commission Malaysia.
SGD	-	Singapore Dollar.
Sophisticated Investor	-	Refers to investors as we determine as qualified or eligible to invest in the Fund and that fulfil any laws, rules, regulations, restrictions or requirements imposed by the respective country's regulators where the Fund is open for sale. For investors in Malaysia, this refers to any person who: (i) falls within any of the categories of investors set out in Part 1, Schedules 6 and 7 of the CMSA; or (ii) acquires unlisted capital market products where the consideration is not less than MYR250,000 or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise. ***Note:*** *For more information, please refer to our website at www.principal.com.my for the current excerpts of Part 1, Schedules 6 and 7 of the CMSA and the definition of "Sophisticated Investor" under the GLOLA.*
Special Resolution	-	A resolution passed by a majority of not less than ¾ 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 ¾ of the value of the units held by Unit holders voting at the meeting.
Target Fund	-	The collective investment scheme that the Fund invests predominantly in. Currently, it refers to Schroder Alternative Solutions Commodity Fund.
Target Fund Company	-	Schroder Alternative Solutions
Target Fund Investment Manager	-	Schroder Investment Management Limited.
Target Fund Management Company	-	Schroder Investment Management (Europe) S.A.
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.Schroders.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	-	An "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the UCITS Directive.
UCITS Directive	-	Directive 2009/65/EC of the European parliament and of the council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.
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.
Wholesale Fund	-	A unit trust scheme established in Malaysia where the units are to be issued, offered for subscription or purchase, or for which invitations to subscribe for or purchase the units are to be made, exclusively to Sophisticated Investor.
Withdrawal Penalty	-	A penalty levied upon withdrawal under certain terms and conditions (if applicable).

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

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1. FUND INFORMATION

1.1. PRINCIPAL COMMODITY FUND

Fund Category/Type	:	Feeder fund / Growth
Fund Objective	:	The Fund aims to achieve capital appreciation through investments in one collective investment scheme, which invests in commodity-related instruments. *We will require your approval if there is any material change to the Fund's objective.*
Benchmark	:	The Fund adheres to the benchmark of the Target Fund for performance comparison. The performance comparator of the Target Fund is the Bloomberg Commodity TR, which may be found on factsheet of the Target Fund and available on ***www.Schroders.com***. *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 Classes may differ. Please refer to the Annexure of the respective Class for more information. You may also refer to page 30 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 multi-class fund where the Deed allows for the establishment of more than one (1) Class with similar interests in the assets of the Fund. You should note that the Fund is allowed to establish new Class(es) from time to time without your prior consent.

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

Currently, the Classes below are available for sale. Please refer to the Annexure for further details on the Classes. You should note that we have the discretion to decide on the offering of other Classes for sale in the future. 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	Initial offer period	Initial offer price
Class USD	19 August 2022	Up to 21 days	USD 1.0000
Class AUD-Hedged	19 August 2022	Up to 21 days	AUD 1.0000
Class MYR-Hedged	19 August 2022	Up to 21 days	MYR 1.0000
Class SGD-Hedged	19 August 2022	Up to 21 days	SGD 1.0000

For more details, you may contact our Customer Care Centre or Distributors; or visit our website at www.principal.com.my.

Investment Policy and Strategy

The Fund is a feeder fund that invests into a single CIS, i.e. Schroder Alternative Solutions Commodity Fund ("Target Fund"). The Fund may also invest in liquid assets for liquidity purposes.

In order to achieve its objective, the Fund will invest at least 85% of its NAV in the Target Fund; a fund established on 31 October 2005 under Schroder Alternative Solutions, a SICAV domiciled in Luxembourg. The Fund may also invest up to 15% of its NAV in liquid assets for liquidity purposes and derivative for the sole purpose of hedging arrangement.

The Fund will be actively rebalanced from time to time to meet sales and withdrawal transactions. This is to enable a proper and efficient management of the Fund. As this is a feeder 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 Management Company and/or the Target Fund Investment Manager will employ a risk management process in respect of the Target Fund that enables the Target Fund Company to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the Target Fund. Please refer to page 15 under the "Investment objective and investment strategies of the Target Fund" for more information.

We will employ risk management strategy at the Fund level, where we will continuously monitor the objective, performance and suitability of the Target Fund to ensure that it is in line with the objective of the Fund. If we are of the opinion that the Target Fund no longer meets the Fund's 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 redeem 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 objective, investment strategies and/or investment restrictions and limits. The Fund also may, with the concurrence of the Trustee, hold more than 15% of Deposits on a temporary basis to meet withdrawal requests and to manage expenses of the Fund.

Currently, the Fund invests in A Shares of the Target Fund, which is denominated in USD. 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.

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.*

Information on the Target Fund

Company	:	Schroder Alternative Solutions Commodity Fund
Share class	:	Class A Shares
Currency denomination	:	USD
Target Fund Management Company	:	Schroder Investment Management (Europe) S.A.
Target Fund Investment Manager	:	Schroder Investment Management Limited.
Regulatory authority	:	Commission de Surveillance du Secteur Financier

Asset Allocation
- At least 85% of the Fund's NAV will be invested in the Target Fund; and
- Up to 15% of the Fund's NAV will be invested in liquid assets for liquidity purposes and derivative for the sole purpose of hedging arrangement.

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);
- Liquid assets such as Deposits and money market instruments;
- Derivative instruments, including but not limited to options, futures contracts, forward contracts and swaps for the purpose of hedging; and
- Any other form of investments as may be determined by us from time to time that is in line with the Fund's objective.

1.3. INVESTMENT RESTRICTIONS AND LIMITS

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

CIS: The Fund must invest at least 85% of its NAV in one (1) CIS.

Liquid Assets and Derivatives: The Fund may invest up to 15% of the NAV in liquid assets and derivative (for hedging purposes). The Fund may, with the concurrence of the Trustee, hold more than 15% of Deposits on a temporary basis to meet withdrawal requests and to manage expenses of the Fund.

1.4. APPROVALS AND CONDITIONS

There is no exemption and/variation to the GLOLA for the Fund.

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.

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

Before investing, you should consider the following risk factors in addition to the other information set out in this Information Memorandum.

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

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

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

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

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

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 during exceptional situations), 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

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

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, would be affected negatively.

Although the probability of such occurrence is minute, should the situation arise, we reserve the right to seek for an alternative CIS that is consistent with the objective of the Fund, subject to your approval.

Country risk
As the Fund invests in the Target Fund, which is domiciled in Luxembourg, the Fund's investments in the Target Fund may be affected by risks specific to Luxembourg. Such risks include adverse changes in Luxembourg's economic fundamentals, social and political stability, 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:

General risk

Past performance is not a guide to future performance and shares, if any, should be regarded as a medium to long-term investment. The value of investments and the income generated by them may go down as well as up and shareholders may not get back the amount originally invested. Where the currency of the Target Fund varies from the investor's home currency, or where the currency of the Target Fund varies from the currencies of the markets in which the Target Fund invests, there is the prospect of additional loss (or the prospect of additional gain) to the investor greater than the usual risks of investment.

Investment Objective Risk

Investment objectives express an intended result but there is no guarantee that such a result will be achieved. Depending on market conditions and the macro economic environment, investment objectives may become more difficult or even impossible to achieve. There is no express or implied assurance as to the likelihood of achieving the investment objective for the Target Fund.

Regulatory Risk
The Target Fund Company is domiciled in Luxembourg and you should note that all the regulatory protections provided by your local regulatory authorities may not apply. Additionally, the Target Fund will be registered in non-EU jurisdictions. As a result of such registration the Target Fund may be subject, without any notice to the shareholders in the Target Fund, to more restrictive regulatory regimes. In such cases the Target Fund will abide by these more restrictive requirements. This may prevent the Target Fund from making the fullest possible use of the investment limits.

Business, Legal and Tax Risks
In some jurisdictions the interpretation and implementation of laws and regulations and the enforcement of shareholders' rights under such laws and regulations may involve significant uncertainties. Furthermore, there may be differences between accounting and auditing standards, reporting practices and disclosure requirements and those generally accepted internationally. The Target Fund may be subject to withholding and other taxes. Tax law and regulations of any jurisdiction are frequently reviewed and may be changed at any time, in certain cases with retrospective effect. The interpretation and applicability of tax law and regulations by tax authorities in some jurisdictions are not consistent and transparent and may vary from jurisdiction to jurisdiction and/or region to region. Any change in taxation legislation could affect the value of the investments held by and the performance of the Target Fund.

Risk Factors Relating to Industry Sectors / Geographic Areas

Funds of the Target Fund Company that focus on a particular industry or geographic area are subject to the risk factors and market factors which affect this particular industry or geographic area, including legislative changes, changes in general economic conditions and increased competitive forces. This may result in a greater volatility of the net asset value of the shares of the Target Fund. Additional risks may include greater social and political uncertainty and instability and natural disasters.

Risk of Suspension of Share Dealings
You are reminded that in certain circumstances your right to redeem or switch shares may be suspended. Please refer to the section headed "SHARE DEALING - Suspensions or Deferrals" in the Target Fund Prospectus for more details.

Interest Rate Risk
The values of fixed income securities and other debt instruments usually rise and fall in response to changes in interest rates. Declining interest rates generally increase the values of existing debt instruments, and rising interest rates generally reduce the value of existing debt instruments. A rise in interest rates generally causes bond prices to fall. Interest rate risk is generally greater for investments with long durations or maturities. Some investments give the issuer the option to call or redeem an investment before its maturity date. If an issuer calls or redeems an investment during a time of declining interest rates, the Target Fund might have to reinvest the proceeds in an investment offering a lower yield, and therefore might not benefit from any increase in value as a result of declining interest rates.

Credit Risk
The ability, or perceived ability, of an issuer of a debt security to make timely payments of interest and principal on the security will affect the value of the security. It is possible that the issuer's ability to meet its obligation will decline substantially during the period when the Target Fund owns securities of that issuer, or that the issuer will default on its obligations. An actual or

perceived deterioration in an issuer's ability to meet its obligations will likely have an adverse effect on the value of the issuer's securities.

If a security has been rated by more than one nationally recognised statistical rating organisation the Target Fund's Investment Manager may consider the highest rating for the purposes of determining whether the security is investment grade. The Target Fund will not necessarily dispose of a security held by it if its rating falls below investment grade, although the Target Fund Investment Manager will consider whether the security continues to be an appropriate investment for the Target Fund. The Target Fund Investment Manager considers whether a security is investment grade only at the time of purchase. Some of the funds of the Target Fund Company will invest in securities which will not be rated by a nationally recognised statistical rating organisation, but the credit quality will be determined by the Target Fund Investment Manager. The Target Fund Investment Manager has established a set of internal credit assessment standards and has put in place a credit assessment process to ensure that its investments are in line with these standards. Information on the Target Fund Investment Manager's credit assessment process would be made available to investors upon request, on the condition that such investor undertakes to keep any information so disclosed in the strictest confidence.

Credit risk is generally greater for investments issued at less than their face values and required to make interest payments only at maturity rather than at intervals during the life of the investment. Credit rating agencies base their ratings largely on the issuer's historical financial condition and the rating agencies' investment analysis at the time of rating. The rating assigned to any particular investment does not necessarily reflect the issuer's current financial condition, and does not reflect an assessment of an investment's volatility and liquidity. Although investment grade investments generally have lower credit risk than investments rated below investment grade, they may share some of the risks of lower-rated investments, including the possibility that the issuers may be unable to make timely payments of interest and principal and thus default.

Liquidity Risk
Liquidity risk exists when particular investments are difficult to purchase or sell. The Target Fund's investment in illiquid securities may reduce the returns of the Target Fund because it may be unable to sell the illiquid securities at an advantageous time or price. Investments in foreign securities, derivatives or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk. Illiquid securities may be highly volatile and difficult to value.

Inflation / Deflation Risk
Inflation is the risk that the Target Fund's assets or income from the Target Fund's investments may be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of the Fund's portfolio could decline. Deflation risk is the risk that prices throughout the economy may decline over time. Deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of the Target Fund's portfolio

Derivative Risk
The Target Fund may use financial derivative instruments to meet its specific investment objective, there is no guarantee that the performance of the financial derivative instruments will result in a positive effect for the Target Fund and its shareholders. The Target Fund may incur costs and fees in connection with total return swaps, contracts for difference or other financial derivative instruments with similar characteristics, upon entering into these instruments and/or any increase or decrease of their notional amount. The amount of these fees may be fixed or variable. Information on costs and fees incurred by the Target Fund in this respect, as well as the identity of the recipients and any affiliation they may have with the depositary, the Target Fund Investment Manager or the Target Fund Management Company, if applicable, may be available in the annual report.

Warrants Risk
When the Target Fund invests in warrants, the price, performance and liquidity of such warrants are typically linked to the underlying stock. However, the price, performance and liquidity of such warrants will generally fluctuate more than the underlying securities because of the greater volatility of the warrants market. In addition to the market risk related to the volatility of warrants, the Target Fund investing in synthetic warrants, where the issuer of the synthetic warrant is different to that of the underlying stock, is subject to the risk that the issuer of the synthetic warrant will not perform its obligations under the transactions which may result in the Target Fund, and ultimately its shareholders, suffering a loss.

Credit Default Swap Risk
A credit default swap allows the transfer of default risk. This allows the Target Fund to effectively buy insurance on a reference obligation it holds (hedging the investment), or buy protection on a reference obligation it does not physically own in the expectation that the credit will decline in quality. One party, the protection buyer, makes a stream of payments to the seller of the protection, and a payment is due to the buyer if there is a credit event (a decline in credit quality, which will be predefined in the agreement between the parties). If the credit event does not occur the buyer pays all the required premiums and the swap terminates on maturity with no further payments. The risk of the buyer is therefore limited to the value of the premiums paid. In addition, if there is a credit event and the Target Fund does not hold the underlying reference obligation, there may be a market risk as the Target Fund may need time to obtain the reference obligation and deliver it to the counterparty. Furthermore, if the counterparty becomes insolvent, the Target Fund may not recover the full amount due to it from the counterparty. The market for credit default swaps may sometimes be more illiquid than the bond markets. The Target Fund Company will mitigate this risk by monitoring in an appropriate manner the use of this type of transaction.

Futures, Options and Forward Transactions Risk
The Target Fund may use options, futures and forward contracts on currencies, securities, indices, volatility, inflation and interest rates for hedging and investment purposes. Transactions in futures may carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the Target Fund. The placing

of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders.

Transactions in options may also carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the Target Fund is fixed, the Target Fund may sustain a loss well in excess of that amount. The Target Fund will also be exposed to the risk of the purchaser exercising the option and the Fund will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the Target Fund holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced. Forward transactions and purchasing options, in particular those traded over-the-counter and not cleared through a central counterparty, have an increased counterparty risk. If a counterparty defaults, the Target Fund may not get the expected payment or delivery of assets. This may result in the loss of the unrealised profit.

Credit Linked Note Risk
A credit linked note is a debt instrument which assumes both credit risk of the relevant reference entity (or entities) and the issuer of the credit linked note. There is also a risk associated with the coupon payment; if a reference entity in a basket of credit linked notes suffers a credit event, the coupon will be re-set and is paid on the reduced nominal amount. Both the residual capital and coupon are exposed to further credit events. In extreme cases, the entire capital may be lost. There is also the risk that a note issuer may default.

Equity Linked Note Risk
The return component of an equity linked note is based on the performance of a single security, a basket of securities or an equity index. Investment in these instruments may cause a capital loss if the value of the underlying security decreases. In extreme cases the entire capital may be lost. These risks are also found in investing in equity investments directly. The return payable for the note is determined at a specified time on a valuation date, irrespective of the fluctuations in the underlying stock price. There is no guarantee that a return or yield on an investment will be made. There is also the risk that a note issuer may default. The Target Fund may use equity linked notes to gain access to certain markets, for example emerging and less developed markets, where direct investment is not possible. This approach may result in the following additional risks being incurred – lack of a secondary market in such instruments, illiquidity of the underlying securities, and difficulty selling these instruments at times when the underlying markets are closed.

General Risk associated with OTC Transactions
Instruments traded in OTC markets may trade in smaller volumes, and their prices may be more volatile than instruments principally traded on exchanges. Such instruments may be less liquid than more widely traded instruments. In addition, the prices of such instruments may include an undisclosed dealer mark-up which the Target Fund may pay as part of the purchase price. In general, there is less government regulation and supervision of transactions in OTC markets than of transactions entered into on organised exchanges. OTC derivatives are executed directly with the counterparty rather than through a recognised exchange and clearing house. Counterparties to OTC derivatives are not afforded the same protections as may apply to those trading on recognised exchanges, such as the performance guarantee of a clearing house.

The principal risk when engaging in OTC derivatives (such as non-exchange traded options, forwards, swaps or contracts for difference) is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations as required by the terms of the instrument. OTC derivatives may expose the Target Fund to the risk that the counterparty will not settle a transaction in accordance with its terms, or will delay the settlement of the transaction, because of a dispute over the terms of the contract (whether or not bona fide) or because of the insolvency, bankruptcy or other credit or liquidity Instruments traded in OTC markets may trade in smaller volumes, and their prices may be more volatile than instruments principally traded on exchanges. Such instruments may be less liquid than more widely traded instruments. In addition, the prices of such instruments may include an undisclosed dealer mark-up which the Target Fund may pay as part of the purchase price.

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Inaccurate valuation can result in inaccurate recognition of gains or losses and counterparty exposure. Unlike exchange-traded derivatives, which are standardised with respect to their terms and conditions, OTC derivatives are generally established through negotiation with the other party to the instrument. While this type of arrangement allows greater flexibility to tailor the instrument to the needs of the parties, OTC derivatives may involve greater legal risk than exchange-traded instruments, as there may be a risk of loss if the agreement is deemed not to be legally enforceable or not documented correctly. There also may be a legal or documentation risk that the parties may disagree as to the proper interpretation of the terms of the agreement. However, these risks are generally mitigated, to a certain extent, by the use of industry-standard agreements such as those published by the International Swaps and Derivatives Association (ISDA).

Counterparty Risk
The Target Fund Company conducts transactions through or with brokers, clearing houses, market counterparties and other agents. The Target Fund Company will be subject to the risk of the inability of any such counterparty to perform its obligations, whether due to insolvency, bankruptcy or other causes.

The Target Fund may invest in instruments such as notes, fixed income securities or warrants the performance of which is linked to a market or investment to which the Target Fund seeks to be exposed. Such instruments are issued by a range of counterparties and through its investment the Target Fund will be subject to the counterparty risk of the issuer, in addition to the investment exposure it seeks. The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Target Fund, potentially creating a partial or total loss for the Target Fund.

OTC Derivative Clearing Risk
The Target Fund's OTC derivative transactions may be cleared prior to the date on which the mandatory clearing obligation takes effect under EU Regulation No 648/2012 on OTC derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation, or "EMIR") in order to take advantage of pricing and other potential benefits. OTC derivative transactions may be cleared under the "agency" model or the "principal-to-principal" model. Under the principal-to-principal model there is usually one transaction between the Target Fund and its clearing broker and another back-to-back transaction between the clearing broker and the Central Clearing Counterparty ("CCP") whereas under the agency model there is one transaction between the Target Fund and the CCP. It is expected that many of the Target Fund's OTC derivative transactions which are cleared will be under the "principal-to-principal" model. However, the following risks are relevant to both models unless otherwise specified.

The CCP will require margin from the clearing broker which will in turn require margin from the Target Fund. The Target Fund's assets posted as margin will be held in an account maintained by the clearing broker with the CCP. Such account may contain assets of other clients of the clearing broker (an "omnibus account") and if so, if there is a shortfall, the assets of the Target Fund transferred as margin may be used to cover losses relating to such other clients of the clearing broker upon a clearing broker or CCP default. The margin provided to the clearing broker by the Target Fund may exceed the margin that the clearing broker is required to provide to the CCP, particularly where an omnibus account is used. The Target Fund will be exposed to the clearing broker in respect of any margin which has been posted to the clearing broker but not posted to and recorded in an account with the CCP. If the clearing broker becomes insolvent or fails, the Target Fund's assets posted as margin may not be as well protected as if they had been recorded in an account with the CCP. The Target Fund will be exposed to the risk that margin is not identified to the particular fund while it is in transit from the Target Fund's account to the clearing broker's account and onwards from the clearing broker's account to the CCP. Such margin could, prior to its settlement, be used to offset the positions of another client of the clearing broker if there is a clearing broker or CCP default. A CCP's ability to identify assets attributable to a particular client in an omnibus account is reliant on the correct reporting of such client's positions and margin by the relevant clearing broker to that CCP. The Target Fund is therefore subject to the operational risk that the clearing broker does not correctly report such positions and margin to the CCP. If this happens, margin transferred by the Target Fund in an omnibus account could be used to offset the positions of another client of the clearing broker in that omnibus account if there is a clearing broker or CCP default. If the clearing broker becomes insolvent, the Target Fund may be able to transfer or "port" its positions to another clearing broker. Porting will not always be achievable. In particular, under the principal-to-principal model, where the Target Fund's positions are within an omnibus account, the Target Fund's ability to port its positions is dependent on the timely agreement of all other parties whose positions are in that omnibus account and so porting may not be achieved. Where porting is not achieved, the Target Fund's positions may be liquidated and the value given to such positions by the CCP may be lower than the full value attributed to them by the Target Fund. Additionally, there may be a considerable delay in the return of any net sum due to the Target Fund while insolvency proceedings in respect of the clearing broker are ongoing. If a CCP becomes insolvent, subject to administration or an equivalent proceeding or otherwise fails to perform, the Target Fund is unlikely to have a direct claim against the CCP and any claim will be made by the clearing broker. The rights of a clearing broker against the CCP will depend on the law of the country in which the CCP is established and other optional protections the CCP may offer, such as the use of a third party custodian to hold the Target Fund's margin. On the failure of a CCP, it is likely to be difficult or impossible for positions to be ported to another CCP and so transactions will likely be terminated. In such circumstances, it is likely that the clearing broker will only recover a percentage of the value of such transactions and consequently the amount the Target Fund will recover from the clearing broker will be similarly limited. The steps, timing, level of control and risks relating to that process will depend on the CCP, its rules and the relevant insolvency law. However, it is likely that there will be material delay and uncertainty around when and how much assets or cash, if any, the clearing broker will receive back from the CCP and consequently the amount the Target Fund will receive from the clearing broker.

Depositary Risk
Assets of the Target Fund Company are safe kept by the depositary and you are exposed to the risk of the depositary not being able to fully meet its obligation to restitute in a short time frame all of the assets of the Target Fund Company in the case of bankruptcy of the depositary. The assets of the Target Fund Company will be identified in the depositary's books as belonging to the Target Fund Company. Securities held by the depositary will be segregated from other assets of the depositary which mitigates but does not exclude the risk of non-restitution in case of bankruptcy. However, no such segregation applies to cash which increases the risk of non-restitution in case of bankruptcy. The depositary does not keep all the assets of the Target Fund Company itself but uses a network of sub-custodians which are not part of the same group of companies as the depositary. You are exposed to the risk of bankruptcy of the sub -custodians where the obligation of the depositary to replace the assets held by that sub-custodian is not triggered or where the depositary is also bankrupt. The Target Fund may invest in markets where custodial and/or settlement systems are not fully developed. The assets of the Target Fund that are traded in such markets and which have been entrusted to such sub-custodians may be exposed to risk in circumstances where the depositary will have no liability.

Smaller Companies Risk
A fund of the Target Fund Company which invests in smaller companies may fluctuate in value more than other funds. Smaller companies may offer greater opportunities for capital appreciation than larger companies, but may also involve certain special risks. They are more likely than larger companies to have limited product lines, markets or financial resources, or to depend on a small, inexperienced management group. Securities of smaller companies may, especially during periods where markets are falling, become less liquid and experience short-term price volatility and wide spreads between dealing prices. They may also trade in the OTC market or on a regional exchange, or may otherwise have limited liquidity. Consequently, investments in smaller companies may be more vulnerable to adverse developments than those in larger companies and the Target Fund may have more difficulty establishing or closing out its securities positions in smaller companies at prevailing market prices. Also, there may be less publicly available information about smaller companies or less market interest in the securities, and it may take longer for the prices of the securities to reflect the full value of the issuers' earning potential or assets.

Specific Risk relating to Collateral Management
Counterparty risk arising from investments in OTC financial derivatives (other than certain foreign exchange and equity option transactions) and securities lending transactions, repurchase agreements and buy-sell back transactions is generally mitigated by the transfer or pledge of collateral in favour of the Target Fund. However, transactions may not be fully collateralised. Fees and returns due to the Target Fund may not be collateralised. If a counterparty defaults, the Target Fund may need to sell non-cash collateral received at prevailing market prices. In such a case the Target Fund could realise a loss due, inter alia, to inaccurate pricing or monitoring of the collateral, adverse market movements, deterioration in the credit rating of issuers of the collateral or illiquidity of the market on which the collateral is traded. Difficulties in selling collateral may delay or restrict the ability of the Fund to meet redemption requests. The Target Fund may also incur a loss in reinvesting cash collateral received, where permitted.
Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Fund to the counterparty as required by the terms of the transaction. The Target Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Target Fund.

Technology Related Companies Risk
Investments in the technology sector may present a greater risk and a higher volatility than investments in a broader range of securities covering different economic sectors. The equity securities of the companies in which the Target Fund may invest are likely to be affected by world-wide scientific or technological developments, and their products or services may rapidly fall into obsolescence. In addition, some of these companies offer products or services that are subject to governmental regulation and may, therefore, be adversely affected by governmental policies. As a result, the investments made by the Target Fund may drop sharply in value in response to market, research or regulatory setbacks.

Lower Rated, Higher Yielding Debt Securities Risk
The Target Fund may invest in lower rated, higher yielding debt securities, which are subject to greater market and credit risks than higher rated securities. Generally, lower rated securities pay higher yields than more highly rated securities to compensate investors for the higher risk. The lower ratings of such securities reflect the greater possibility that adverse changes in the financial condition of the issuer, or rising interest rates, may impair the ability of the issuer to make payments to holders of the securities. Accordingly, an investment in such the Target Fund is accompanied by a higher degree of credit risk than is present with investments in higher rated, lower yielding securities.

Concentration of Investments Risks
Although it will be the policy of the Target Fund Company to diversify its investment portfolio, the Target Fund may at certain times hold relatively few investments. The Target Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

Mortgage Related and Other Asset Backed Securities Risks
Mortgage-backed securities, including collateralised mortgage obligations and certain stripped mortgage-backed securities represent a participation in, or are secured by, mortgage loans. Asset-backed securities are structured like mortgage-backed securities, but instead of mortgage loans or interests in mortgage loans, the underlying assets may include such items as motor vehicles instalment sales or instalment loan contracts, leases of various types of real and personal property and receivables from credit card agreements. Mortgage-backed and asset-backed securities are commonly used to redirect the interest and principal payments from the pool of underlying assets to investors and can be issued at a fixed or a floating rate. The securities backed by the same pool of underlying assets may be issued in a number of different tranches, or classes, with varying risk and return characteristics depending on the priority of claim on the cash flows from the pool and the terms and conditions. The higher the risk contained in the tranche, the more the security generally pays by way of income. Traditional debt investments typically pay a fixed rate of interest until maturity, when the entire principal amount is due. By contrast, payments on mortgage-backed and many asset-backed investments typically include both interest and partial payment of principal. Principal may also be prepaid voluntarily, or as a result of refinancing or foreclosure. The Target Fund may have to invest the proceeds from prepaid investments in other investments with less attractive terms and yields. As a result, these securities may have less potential for capital appreciation during periods of declining interest rates than other securities of comparable maturities, although they may have a similar risk of decline in market value during periods of rising interest rates. As the prepayment rate generally declines as interest rates rise, an increase in interest rates will likely increase the duration, and thus the volatility, of mortgage-backed and asset-backed securities. In addition to interest rate risk (as described above), investments in mortgage-backed securities composed of subprime mortgages may be subject to a higher degree of credit risk, valuation risk and liquidity risk (as described above). Duration is a measure of the expected life of a fixed income security that is used to determine the sensitivity of the security's price to changes in interest rates. Unlike the maturity of a fixed income security, which measures only the time until final payment is due, duration takes into account the time until all payments of interest and principal on a security are expected to be made, including how these payments are affected by prepayments and by changes in interest rates.

The ability of an issuer of asset-backed securities to enforce its security interest in the underlying assets may be limited. Some mortgage-backed and asset backed investments receive only the interest portion or the principal portion of payments on the underlying assets. The yields and values of these investments are extremely sensitive to changes in interest rates and in the rate of principal payments on the underlying assets. Interest portions tend to decrease in value if interest rates decline and rates of repayment (including prepayment) on the underlying mortgages or assets increase; it is possible that the Target Fund may lose the entire amount of its investment in an interest portion due to a decrease in interest rates. Conversely, principal portions tend to decrease in value if interest rates rise and rates of repayment decrease. Moreover, the market for interest portions and principal portions may be volatile and limited, which may make them difficult for the Target Fund to buy or sell.

The Target Fund may gain investment exposure to mortgage-backed and asset-backed investments by entering into agreements with financial institutions to buy the investments at a fixed price at a future date. The Target Fund may or may not take delivery of the investments at the termination date of such an agreement, but will nonetheless be exposed to changes in the value of the underlying investments during the term of the agreement.

Initial Public Offerings Risk
The Target Fund may invest in initial public offerings, which frequently are smaller companies. Such securities have no trading history, and information about these companies may only be available for limited periods. The prices of securities involved in initial public offerings may be subject to greater price volatility than more established securities.

Risk Associated with Debt Securities Issued Pursuant to Rule 144A under the Securities Act of 1933
SEC Rule 144A provides a safe harbour exemption from the registration requirements of the Securities Act of 1933 for resale of restricted securities to qualified institutional buyers, as defined in the rule. The advantage for investors may be higher returns due to lower administration charges. However, dissemination of secondary market transactions in rule 144A securities is restricted and only available to qualified institutional buyers. This might increase the volatility of the security prices and, in extreme conditions, decrease the liquidity of a particular rule 144A security.

Emerging and Less Developed Markets Securities Risk
Investing in emerging markets and less developed markets securities poses risks different from, and/or greater than, risks of investing in the securities of developed countries. These risks include; smaller market-capitalisation of securities markets, which may suffer periods of relative illiquidity; significant price volatility; restrictions on foreign investment; and possible repatriation of investment income and capital. In addition, foreign investors may be required to register the proceeds of sales, and future economic or political crisis could lead to price controls, forced mergers, expropriation or confiscatory taxation, seizure, nationalisation or the creation of government monopolies. Inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economies and securities markets of certain emerging and less developed countries. Although many of the emerging and less developed market securities in which the Target Fund may invest are traded on securities exchanges, they may trade in limited volume and may encounter settlement systems that are less well organised than those of developed markets. Supervisory authorities may also be unable to apply standards that are comparable with those in developed markets. Thus, there may be risks that settlement may be delayed and that cash or securities belonging to the Target Fund may be in jeopardy because of failures of or defects in the systems or because of defects in the administrative operations of counterparties. Such counterparties may lack the substance or financial resources of similar counterparties in a developed market. There may also be a danger that competing claims may arise in respect of securities held by or to be transferred to the Target Fund and compensation schemes may be non-existent or limited or inadequate to meet the Target Fund's claims in any of these events. Equity investments in Russia are currently subject to certain risks with regard to the ownership and custody of securities. This results from the fact that no physical share certificates are issued and ownership of securities is evidenced by entries in the books of a company or its registrar (which is neither an agent nor responsible to the Depositary), other than by local regulation. No certificates representing shareholdings in Russian companies will be held by the Depositary or any of its local correspondents or in an effective central depository system. Equity investments in Russia may also be settled using the local depository, the National Settlement Depository ("NSD"). Although NSD is legally recognised as a central securities depository ("CSD"), it is not currently operated as a CSD and may not protect finality of title. Like local custodians, the NSD still has to register the equity positions with the registrar in its own nominee name. If concerns are raised regarding a specific investor, the whole nominee position in a depository could be frozen for a period of months until the investigation is complete. As a result, there is a risk that an investor could be restricted from trading because of another NSD account holder. At the same time should an underlying registrar be suspended, investors settling through registrars cannot trade, but settlement between two depository accounts can take place. Any discrepancies between a registrar and the NSD records may impact corporate entitlements and potentially settlement activity of underlying clients, which is mitigated by the frequent position reconciliations between the depositories and the registrars. Securities traded on the Moscow Exchange can be treated as investment in securities dealt in on a Regulated Market. Additional risks of emerging market securities may include: greater social, economic and political uncertainty and instability; more substantial governmental involvement in the economy; less governmental supervision and regulation; unavailability of currency hedging techniques; companies that are newly organised and small; differences in auditing and financial reporting standards, which may result in unavailability of material information about issuers; and less developed legal systems. In addition, taxation of interest and capital gains received by non-residents varies among emerging and less developed markets and, in some cases may be comparatively high. There may also be less well-defined tax laws and procedures and such laws may permit retroactive taxation so that the Fund could in the future become subject to local tax liabilities that had not been anticipated in conducting investment activities or valuing assets.

Taxes Associated with Investing in Mainland China

Income and gains derived from trading China A-Shares
The Ministry of Finance of the PRC, the State of Administration of Taxation of the PRC and the CSRC jointly issued circulars in relation to the taxation rules on the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect under Circular Caishui [2014] No.81 ("Circular 81") and Circular Caishui [2016] No. 127 ("Circular 127") on 14 November 2014 and 1 December 2016 respectively. Under Circular 81 and Circular 127, corporate income tax, individual income tax and business tax

will be temporarily exempted on gains derived by overseas investors on the trading of China A-Shares through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect with effect from 17 November 2014 and 5 December 2016 respectively. However, overseas investors are required to pay withholding income tax (WIT) on dividends and/or bonus shares at the rate of 10% which will be withheld and paid to the relevant in-charge PRC tax authorities by the listed companies. Dividends from China A-Shares are not within the charging scope of Value-Added Tax (VAT).

Interest income from bonds / debt securities issued in mainland China
On 22 November 2018, the Ministry of Finance ("MOF") and State Taxation Administration ("STA") of the PRC jointly issued circular Caishui [2018] No. 108 ("Circular 108") to address the tax issues in relation to bond interest income received by foreign institutional investors from investments in the PRC bond market. Under Circular 108, non-PRC tax residents without a permanent establishment (PE) in the PRC (or having a PE in the PRC but the income so derived in the PRC is not effectively connected with such PE), bond interest income received from 7 November 2018 to 6 November 2021 will be temporarily exempt from WIT and VAT. On 22 November 2021, MOF and STA jointly announced an extension of this exemption until 31 December 2025. This is regardless of whether the non-PRC tax residents invest in the PRC bond market through QFII/RQFII and/or Bond Connect. Circular 108 did not specify the WIT and VAT treatments on income received by non-PRC tax residents from investment in other fixed income securities (such as asset-backed securities, certificates of deposits, etc.).

Gains derived from trading bonds / debt securities issued in mainland China
The PRC tax authorities have verbally indicated, on numerous occasions, that capital gains realized by non-PRC tax residents from the disposal of PRC debt securities are considered non-PRC sourced income and hence not subject to PRC WIT. There is no specific written tax regulation to confirm this but, in practice, the PRC tax authorities have not actively enforced the collection of PRC WIT on gains realized by non-PRC tax residents from the disposal of PRC debt securities.

VAT treatment of gains derived from trading securities in China
Gains realized from the trading of marketable securities in the PRC are generally subject to VAT at 6%; however, various Circulars issued by the authorities provide for exemptions from VAT for non-PRC tax residents investing via QFII/RQFII, the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and/or Bond Connect.

Specific Risks linked to Securities Lending and Repurchase Transactions
While the Fund does not currently enter into any securities lending and repurchase transactions, the Target Fund may do so in the future. Where the Target Fund enters into securities lending and repurchase transactions, the Target Fund would be subject to certain risks. There is no assurance that the Target Fund will achieve the objective for which it entered into a transaction.

Repurchase transactions might expose the Target Fund to risks similar to those associated with optional or forward derivative financial instruments, the risks of which are described in other sections of the Target Fund Prospectus. Securities loans may, in the event of a counterparty default or an operational difficulty, be recovered late and only in part, which might restrict the Target Fund's ability to complete the sale of securities or to meet redemption requests. The Target Fund's exposure to its counterparty will be mitigated by the fact that the counterparty will forfeit its collateral if it defaults on the transaction. If the collateral is in the form of securities, there is a risk that when it is sold it will realise insufficient cash to settle the counterparty's debt to the Target Fund or to purchase replacements for the securities that were lent to the counterparty. In the latter case, the Target Fund's tri-party lending agent will indemnify the Target Fund against a shortfall of cash available to purchase replacement securities but there is a risk that the indemnity might be insufficient or otherwise unreliable. If the Target Fund reinvests cash collateral in one or more of the permitted types of investment, there is a risk that the investment will earn less than the interest that is due to the counterparty in respect of that cash and that it will return less than the amount of cash that was invested. There is also a risk that the investment will become illiquid, which would restrict the Target Fund's ability to recover its securities on loan, which might restrict the Fund's ability to complete the sale of securities or to meet redemption requests.

Potential Conflicts of Interest
The Target Fund Investment Manager and Schroders may effect transactions in which the Target Fund Investment Manager or Schroders have, directly or indirectly, an interest which may involve a potential conflict with the Target Fund Investment Manager's duty to the Target Fund Company. Neither the Target Fund Investment Manager nor Schroders shall be liable to account to the Target Fund Company for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions nor will the Target Fund Investment Manager's fees, unless otherwise provided, be abated. The Target Fund Investment Manager will ensure that such transactions are effected on terms which are not less favourable to the Target Fund Company than if the potential conflict had not existed. Such potential conflicting interests or duties may arise because the Target Fund Investment Manager or Schroders may have invested directly or indirectly in the Target Fund Company. The prospect of a performance fee may lead the Target Fund Investment Manager to make investments that are riskier than would otherwise be the case.

Investment Funds
Some of the funds of the Target Fund Company may invest all or substantially all of their assets in investment funds, and unless otherwise disclosed, the investment risks identified in this section will apply whether the Target Fund invests directly, or indirectly through investment funds, in the assets concerned. The investments of the Target Fund in investment funds (if applicable) may result in an increase of total operating, administration, depositary and management fees/expenses. However, the Target Fund Investment Manager will seek to negotiate a reduction in management fees and any such reduction will be for the sole benefit of the Target Fund.

Commodity-linked Derivatives
Investments in commodity-linked derivative instruments may subject the Target Fund Company to greater volatility than instruments in traditional securities. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or

commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments.

Convertible Securities Risk
Convertible securities are typically fixed income securities or preferred stocks that may be converted into a specific number of shares of the issuing company's stock at a specified conversion price. Convertible securities combine investment characteristics and risks of equities and fixed income securities. Depending on the value of the underlying stock, the convertible security will behave more like a stock or like a bond. When the price of the underlying stock exceeds the conversion price, the convertible security generally behaves more like a stock and will be more sensitive to changes in equity securities. When the price of the underlying stock is lower than the conversion price, the convertible security generally behaves more like a bond and will be more sensitive to changes in interest rates and in credit spreads. Given the benefit provided by the potential conversion, convertible securities generally offer lower yields than non-convertible securities of similar quality. They also can be of lower credit quality and tend to be less liquid than traditional non-convertible securities. Lower credit quality debt securities are generally subject to greater market, credit and default risk compared to more highly rated securities.

Exchange Rates
The reference currency of the Target Fund is not necessarily the investment currency of the Target Fund concerned. Investments are made in investment funds in currencies that, in the view of the Target Fund Investment Manager, best benefit the performance of the Target Fund. If you invest in the Target Fund that has a reference currency that is different from your own, you should be aware that exchange rate fluctuations could cause the value of your investment to diminish or increase.

Fixed Income Securities
The value of fixed income securities held by the Target Fund generally will vary upon changes in interest rates and such variation may affect share prices of the Target Fund when investing in fixed income securities.

Equity Securities
Where the Target Fund invests in equity or equity-related investments, the values of equity securities may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. Equity securities generally have greater price volatility than fixed income securities.

Private Equity
Investments which grant an exposure to private equity involve additional risks compared to those resulting from traditional investments. More specifically, private equity investments may imply exposure to less mature and less liquid companies. The value of financial instruments which grant exposure to private equity may be impacted in a similar manner as direct investments in private equity.

Commodities
Investments which grant an exposure to commodities involve additional risks compared to those resulting from traditional investments. More specifically:
- political, military and natural events may influence the production and trading of commodities and, as a consequence, negatively influence financial instruments which grant exposure to commodities;
- terrorism and other criminal activities may have an influence on the availability of commodities and therefore also negatively impact financial instruments which grant exposure to commodities. The performance of commodities, precious metals and commodity futures also depends on the general supply situation of the respective goods, the demand for them, the expected output, extraction and production as well as the expected demand, and can for this reason be especially volatile.

Sovereign Risk
There is a risk that governments or their agencies may default or not completely fulfil their obligations. In addition, there is no bankruptcy proceeding for sovereign debt securities on which money to pay the obligations of sovereign debt securities may be collected in whole or in part. As a consequence of this holders of sovereign debt securities may be requested to participate in the rescheduling of sovereign debt securities and to extend further loans to the issuers of sovereign debt securities.

Hedging Risk
The Target Fund may (directly or indirectly) employ hedging by taking long and short positions in related instruments. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of such portfolio positions or prevent losses if the values of such positions decline. Hedging transactions may limit the opportunity for gain if the value of the portfolio position should increase. If there is an imperfect correlation between a position in a hedging instrument and the portfolio position that it is intended to protect, the desired protection may not be obtained, and the Fund may be exposed to risk of loss. In addition, it is not possible to hedge fully or perfectly against any risk, and hedging entails its own costs.

Synthetic Short Selling Risk
The Target Fund may use financial derivatives to implement synthetic short positions. If the price of the instrument or market which the Target Fund has taken a short position on increases, then the Target Fund will incur a loss in relation to the increase in price from the time that the short position was entered into plus any premiums and interest paid to a counterparty. Therefore, taking short positions involves the risk that losses may be exaggerated, potentially losing more money than the actual cost of the investment.

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect
The Target Fund may invest in China A-Shares through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect programmes (the "Stock Connect") subject to any applicable regulatory limits. The Stock Connect is a securities trading and clearing linked programme developed by Hong Kong Exchanges and Clearing Limited ("HKEx"), the Hong Kong Securities Clearing Company Limited ("HKSCC"), Shanghai Stock Exchange or Shenzhen Stock Exchange and China Securities Depository and Clearing Corporation Limited ("ChinaClear") with an aim to achieve mutual stock market access between mainland China and Hong Kong. The Stock Connect allow foreign investors to trade certain Shanghai Stock Exchange or Shenzhen Stock Exchange listed China A-Shares through their Hong Kong based brokers. The Target Fund seeking to invest in the domestic securities markets of the PRC may use the Stock Connect, in addition to the QFII and RQFII schemes and, thus, are subject to the following additional risks:

General Risk: The relevant regulations are untested and subject to change. There is no certainty as to how they will be applied which could adversely affect the Fund. The Stock Connect requires use of new information technology systems which may be subject to operational risk due to its cross-border nature. If the relevant systems fail to function properly, trading in Hong Kong and Shanghai/Shenzhen markets through Stock Connect could be disrupted.

Clearing and Settlement Risk: The HKSCC and ChinaClear have established the clearing links and each will 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 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.

Legal/Beneficial Ownership: Where securities are held in custody on a cross-border basis, there are specific legal/beneficial ownership risks linked to compulsory requirements of the local Central Securities Depositaries, HKSCC and ChinaClear. As in other emerging and less developed markets, the legislative framework is only beginning to develop the concept of legal/formal ownership and of beneficial ownership or interest in securities. In addition, HKSCC, as nominee holder, does not guarantee the title to Stock Connect securities held through it and is under no obligation to enforce title or other rights associated with ownership on behalf of beneficial owners. Consequently, the courts may consider that any nominee or custodian as registered holder of Stock Connect securities would have full ownership thereof, and that those Stock Connect securities would form part of the pool of assets of such entity available for distribution to creditors of such entities and/or that a beneficial owner may have no rights whatsoever in respect thereof. Consequently the Target Fund and the depositary cannot ensure that the Target Fund's ownership of these securities or title thereto is assured. To the extent that HKSCC is deemed to be performing safekeeping functions with respect legal relationship with HKSCC and no direct legal recourse against HKSCC in the event that the Target Fund suffers losses resulting from the performance or insolvency of HKSCC.

In the event ChinaClear defaults, HKSCC's liabilities under its market contracts with clearing participants will be limited to assisting clearing participants with claims. HKSCC will act in good faith to seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or the liquidation of ChinaClear. In this event, the Target Fund may not fully recover its losses or its Stock Connect securities and the process of recovery could also be delayed.

Operational Risk: The HKSCC provides clearing, settlement, nominee functions and other related services of the trades executed by Hong Kong market participants. PRC regulations which include certain restrictions on selling and buying will apply to all market participants. In the case of sale, pre-delivery of shares are required to the broker, increasing counterparty risk. Because of such requirements, the Fund may not be able to purchase and/or dispose of holdings of China A-Shares in a timely manner.

Quota Limitations: The Stock Connect is subject to quota limitations which may restrict the Target Fund's ability to invest in China A-Shares through the Stock Connect on a timely basis. Investor Compensation: The Target Fund will not benefit from local investor compensation schemes. 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. There may be occasions when it is a normal trading day for the PRC market but the Target Fund cannot carry out any China A-Shares trading. The Target Fund may be subject to risks of price fluctuations in China A-Shares during the time when Stock Connect is not trading as a result.

Investment Risk: securities traded via Shenzhen-Hong Kong Stock Connect may be smaller companies which are subject to "Smaller Companies Risk" as listed in Smaller Companies Risk.

The Benchmark Regulation
The London Interbank Offered Rate and other indices which are deemed "benchmarks" have been the subject of international and other regulatory guidance as well as proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any investments linked to a benchmark.
A key element of the reform of benchmarks within the EU is Regulation (EU) 2016/1011 of the European Parliament and of the Council on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the Benchmark Regulation).

The scope of the Benchmark Regulation is wide and, in addition to so-called "critical benchmark" indices such as the London Interbank Offered Rate, could also potentially apply to many other interest rate indices, as well as other indices (including "proprietary" indices or strategies) which are referenced in financial instruments (including Investments) and/or other financial contracts entered into by the Company, the Management Company or its delegates.

The Benchmark Regulation could have a material impact on any investment linked to a "benchmark" index, including in any of the following circumstances:

(A) an index which is a "benchmark" could not be used as such if its administrator does not obtain authorisation or is based in a non-EU jurisdiction which (subject to any applicable transitional provisions) does not have equivalent regulation (including potentially due to a 'no-deal' exit of the UK from the EU). In such event, depending on the particular "benchmark" and the applicable terms of the investments, the investment could be de-listed, adjusted, redeemed or otherwise impacted; and

(B) the methodology or other terms of the "benchmark" could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level, and could lead to adjustments to the terms of the investments, including calculation agent determination of the rate or level in its discretion.

IBOR Reform

The term "IBOR" refers generally to any reference rate or benchmark rate that is an "interbank offered rate" intended to reflect, measure or estimate the average cost to certain banks of borrowing or obtaining unsecured short-term funds in the interbank market in the relevant currency and maturity. IBORs have been used extensively as reference rates across the financial markets for many years. The Target Fund may invest in securities or derivatives whose value or payments are derived from an IBOR. Pursuant to recommendations of the Financial Stability Board (FSB), financial institutions and other market participants have been working to promote the development of alternative reference rates (ARRs). ARRs are in response to concerns over the reliability and
robustness of IBORs. In July 2017, the UK Financial Conduct Authority (FCA) announced that the FCA would no longer use its influence or powers to persuade or compel contributing banks to make IBOR submissions after the end of 2021. Following this statement, other regulators across the globe have made announcements encouraging financial institutions and other market participants to transition from the use of IBORs to the use of new ARRs by the end of 2021. This has raised concerns about the sustainability of IBORs beyond 2021.

Regulatory and industry initiatives concerning IBORs may result in changes or modifications affecting investments referencing IBORs, including a need to determine or agree a substitute ARR, and/or a need to determine or agree a spread to be added to or subtracted from, or to make other adjustments to, such ARR to approximate an IBOR equivalent rate (as further described below), not all of which can be foreseen at the time the Target Fund enters into or acquires an IBOR-referencing investment.

If the composition or characteristics of an ARR differ in any material respect from those of an IBOR it may be necessary to convert the ARR into another IBOR-equivalent ARR before it is considered a suitable substitute for the relevant IBOR. Converting an ARR into one or more IBOR-equivalent rates may be possible by adding, subtracting or otherwise incorporating one or more interest rate or credit spreads, or by making other appropriate adjustments. Whether such adjustments are accurate or appropriate may depend on a variety of factors, including the impact of market conditions, liquidity, transaction volumes, the number and financial condition of contributing or reference banks and other considerations at the time of and leading up to such conversion. Even with spreads or other adjustments, IBOR-equivalent ARRs may be only an approximation of the relevant IBOR and may not result in a rate that is the economic equivalent of the specific IBORs used in the Target Fund's IBOR-referencing investments. This could have a material adverse effect on the Target Fund.

The conversion from an IBOR to an ARR may also require the parties to agree that a payment is made from one party to the other to account for the change in the characteristics of the underlying reference rate. This payment may be required to be made by the Target Fund. Until the applicable industry working group and/or market participants have agreed a standard methodology for the conversion from an IBOR to an IBOR-equivalent ARR it is difficult to determine whether and how such conversions will be made. For example, conversions and adjustments could be made by developers of ARRs or by compiling bodies, sponsors or administrators of ARRs, or by a method established by them. Conversions may instead be agreed bilaterally between the Target Fund and its counterparty or by the applicable calculation agent under such investments. This could lead to different results for similar IBOR-referencing investments which could have a material adverse effect on the performance of the Target Fund.

Sustainability risks

The Target Fund Investment Manager takes sustainability risks into account in the management of the Target Fund. A sustainability risk is an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment and the returns of the Target Fund. An example of an environmental risk is the increased likelihood of flooding due to climate change and the associated rise in sea levels. Flooding could affect a variety of issuers such as real estate companies and insurers, and could negatively impact the value of investments in those companies. An example of a social risk is the occurrence of improper working practices such as child labour. Target Fund Companies that are found to have engaged in such practices, or that have engaged with suppliers that they know to have done so, may be in breach of applicable laws and/or may be perceived negatively by the market. An example of a governance risk is the need to ensure gender diversity. If a company's reporting shows a lack of diversity, or there is media coverage of discrimination within the business on the grounds of gender, this may negatively affect market sentiment with respect to the company and impact its share price. There is also the risk that new regulations, taxes or industry standards to protect or encourage sustainable businesses and practices may be introduced –such changes may negatively impact issuers that are poorly placed to adapt to new requirements. Some funds of the Target Fund Company may have the objective of making sustainable investments and/or have environmental and/or social characteristics, which they achieve by applying sustainability criteria to the selection of investments chose by the Target Fund Investment Manager. These funds may have limited exposure to some companies, industries or sectors as a result and may forego certain investment opportunities, or dispose of certain holdings, that do not align with their sustainability criteria. As investors may differ in their views of what constitutes sustainable investing, a fund may invest in companies that do not reflect the beliefs and values of particular investors; for example, with a view to engaging with that company to improve certain aspects of its environmental, social or governance practices. The regulatory framework applying to sustainable products and sustainable investing is rapidly evolving. As such, the sustainable investing characteristics of a particular fund and how they are described for investors may be subject to change over time in order to comply with new requirements or applicable regulatory guidance.

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 the 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 SCHRODER ALTERNATIVE SOLUTIONS COMMODITY FUND

Schroder Alternative Solutions is an open-ended investment company organized as a “société anonyme” " under the laws of the Grand Duchy of Luxembourg and qualifies as a Société à Capital Variable (“SICAV”) and as an alternative investment fund within the meaning of article 1 (39) of the law of 12 July 2013 (“2013 Law”) on alternative investment fund managers. The Target Fund Company operates separate funds, each of which is represented by one or more share classes. The funds are distinguished by their specific investment policy or any other specific features.

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

The Target Fund is a fund under the Target Fund Company which was launched on 31 October 2005. The legislation governing the establishment and operation of the Target Fund is Luxembourg legislation.

The directors of the Target Fund Company have designated Target Fund Management Company as (i) its management company to perform investment management, administration, shareholder registration, dealing and marketing functions in respect of the Target Fund Company and (ii) as alternative investment fund manager of the Target Fund Company within the meaning of article 1(46) of the 2013 Law.

The Target Fund Management Company is regulated by the Commission de Surveillance du Secteur Financier (“CSSF”).

The Target Fund Management Company was incorporated as a "Société Anonyme" in Luxembourg on 23 August 1991 and has an issued share capital of EUR 12,650,000. The Target Fund Management Company has been authorized as a management company under Chapter 15 of the law on undertakings for collective investment dated 17 December 2010 (“2010 Law”), as amended and, as such, provides collective portfolio management services to undertakings for collective investment.

The Target Fund Management Company has delegated its investment management functions to the Target Fund Investment Manager as the investment manager of the Target Fund. The Target Fund Investment Manager is domiciled in the United Kingdom and has been managing collective investment schemes and discretionary funds since 1985. The Target Fund Investment Manager is regulated by the Financial Conduct Authority.

Investment Objective and Policy of the Target Fund

The objective of the Target Fund is to provide long term capital growth by investing in commodity related instruments worldwide.

The Target Fund invests at least two-third of its assets in energy, agriculture, metals and other commodity linked instruments and commodity related derivatives worldwide. As the Target Fund is index-unconstrained it is managed without reference to an index.

The Target Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Target Fund more efficiently. These include commodity related derivatives, such as futures (e.g. futures on commodity indices), total return swaps (e.g. swaps on physical commodities) and structured notes. Where the Target Fund uses total return swaps, the underlying consists of instruments in which the Target Fund may invest according to its investment objective and investment policy. In particular, total return swaps may be used to gain long exposure to commodities. The gross exposure of total return swaps will not exceed 100% and is expected to remain within the range of 0% to 20% of the net asset value of the Target Fund. In certain circumstances this proportion may be higher.

The Target Fund also invests in commodity related equity and equity related securities, fixed income securities, convertible securities and warrants of issuers in commodity related industries. The Target Fund may also invest in foreign currency (e.g. forward currency contracts, currency options, and swaps on currencies). The Target Fund may invest in money market instruments and hold cash.

The Target Fund will not acquire any physical commodities directly. Any commodity derivatives that call for physical delivery of the underlying commodity will be liquidated prior to delivery and procedures are in place to ensure that this occurs.

Benchmark

The benchmark of the Target Fund is the Bloomberg Commodity TR. The benchmark is used solely as a reference for investors to compare against the Target Fund’s performance, and this benchmark is neither used as a constraint on how the Target Fund’s portfolio is to be constructed nor set as a target for the Target Fund’s performance to beat. The Target Fund is actively managed.

Base Currency
USD

Dividend Policy

No distribution of dividends shall be but the net income attributable will be reflected in the increased value of the shares of the Target Fund.

2.2. INVESTMENT AND BORROWING RESTRICTIONS OF THE TARGET FUND

The investment restrictions imposed by Luxembourg law must be complied with by the Target Fund.

(A) Restrictions on the use of Commodity Linked Derivatives and other Derivative Financial Instruments

(1) Derivative financial instruments must be dealt on an organised market or contracted by private agreement with first class professionals specialised in these types of transactions.

(2) Margin deposits in relation to derivative financial instruments dealt on an organised market, premiums paid for the acquisition of options outstanding as well as the commitments arising from derivative financial instruments contracted by private agreement may not exceed, in aggregate, one third of the net asset value. The commitment in relation to a transaction on a derivative financial instrument entered into by private agreement by the Target Fund corresponds to any non-realised loss resulting, at that time, from the relevant transaction.

(3) The Target Fund must maintain a reserve of liquid assets in an amount at least equal to the margin deposits made by the Target Fund but never less than 30% of the net asset value for the Target Fund. Liquid assets do not only comprise time deposits and regularly negotiated money market instruments the remaining maturity of which is less than 12 months, but also treasury bills and bonds issued by any member state of the Organisation for Economic Cooperation and Development ("OECD") member countries or their local authorities or by supranational institutions and organisations with European, regional or worldwide scope as well as bonds listed on a stock exchange or dealt on a regulated market, which operates regularly and is open to the public, issued by first class issuers and being highly liquid.

(4) The Target Fund may not hold an open position in a single contract relating to a derivative financial instrument dealt on an organised market or a single contract relating to a derivative financial instrument entered into by private agreement for which the margin required or the commitment taken, respectively, represents 5% or more of the net asset value.

(5) Premiums paid to acquire options outstanding having identical characteristics may not exceed 5% of the net asset value.

(6) The Target Fund may not hold an open position in derivative financial instruments relating to a single commodity or a single category of forward contracts on financial instruments for which the margin required (in relation to derivative financial instruments negotiated on an organised market) together with the commitment (in relation to derivative financial instruments entered into by private agreement) represent 20% or more of the net asset value.

(7) The Target Fund may invest in financial derivative instruments that are traded OTC including, without limitation, total return swaps, contracts for difference or other financial derivative instruments with similar characteristics, in accordance with the conditions set out in Appendix I of the Target Fund Prospectus and the investment objective and policy of the Target Fund. Such OTC derivatives, to the extent capable of being held in custody, shall be safe kept by the depositary. Further information on the safekeeping of the collateral received is included in section "Depositary" of the Target Fund Prospectus. A total return swap is an agreement in which one party (total return payer) transfers the total economic performance of a reference obligation to the other party (total return receiver). Total economic performance includes income from interest and fees, gains or losses from market movements, and credit losses. Total return swaps entered into by the Target Fund may be in the form of funded and/or unfunded swaps. An unfunded swap means a swap where no upfront payment is made by the total return receiver at inception. A funded swap means a swap where the total return receiver pays an upfront amount in return for the total return of the reference asset and can therefore be costlier due to the upfront payment requirement. All revenue arising from total return swaps, net of direct and indirect operational costs and fees, will be returned to the Target Fund.

(8) The Target Fund may enter into agreements on OTC derivatives. The counterparties to any OTC financial derivative transactions, such as total return swaps, contracts for difference or other financial derivative instruments entered into by the Target Fund, are selected from a list of counterparties approved by the Target Fund Management Company. The Target Fund Management Company will aim to select the best available counterparties for any given markets in accordance with its group internal policy. The counterparties will be institutions which are either credit institutions or investment firms in each case with a registered office in an EU Member State, a G10 country or another country whose prudential rules are considered equivalent by the CSSF for this purpose, which are authorized under the MiFID Directive or a similar set of rules and which are subject to prudential supervision. Such firms will, at trade inception, either be rated BBB/Baa2 or above or have been approved by Schroders' Group Agency Credit Risk Committee. The Target Fund Management Company monitors the ongoing creditworthiness of all counterparties and the list may be amended. The counterparties will have no discretion over the composition or management of the relevant Target Fund's portfolio or over the underlying of the financial derivative instruments. The identity of the counterparties will be disclosed in the annual report of the Target Fund Company.

(B) Restrictions on Investments in Securities

(1) The Target Fund may not invest more than 10% of their net asset value in securities which are not quoted on a stock exchange or dealt on another regulated market, which operates regularly and is recognized and open to the public,

(2) The Target Fund may not acquire more than 10% of the securities of the same nature issued by the same issuer,

(3) The Target Fund may not invest more than 20% of their net asset value in securities issued by the same issuer.

The restrictions set forth under (1), (2) and (3) above are not applicable to securities issued or guaranteed by a member state of the OECD or by its local authority or by supranational institutions and organisations with European, regional or worldwide scope.

Where the Target Fund has invested in accordance with the principle of risk spreading in transferable securities or money market instruments issued or guaranteed by an EU member state, by its local authorities or by a non-Member State of the European Union or by public international bodies of which one or more EU member states are members, the Target Fund Company may invest 100% of the net asset value of the Target Fund in such securities from at least six different issues and the value of securities from any one issue must not account for more than 30% of the net asset value of the Target Fund.

(C) Restrictions on Investments in open-ended collective investment schemes

The Target Fund may not invest more than 10% of their net assets in units of UCITS or other UCIs.

When the Target Fund invests in the units of other UCITS and/or other UCIs linked to the Target Fund Company by common management or control, or by a substantial direct or indirect holding of more than 10% of the capital or the voting rights, or managed by a management company linked to the Target Fund Investment Manager, no subscription or redemption fees may be charged to the Target Fund Company on account of its investment in the units of such other UCITS and/or UCIs.

In respect of a Target Fund's investments in UCITS and other UCIs linked to the Target Fund Company as described in the preceding paragraph, there shall be no management fee charged to that portion of the assets of the Target Fund. The Target Fund Company will indicate in its annual report the total management fees charged both to the Target Fund and to the UCITS and other UCIs in which the Target Fund has invested during the relevant period.

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

(1) the Target Fund(s) do(es) not, in turn, invest in the Investing Target Fund invested in this (these) target Fund(s); and

(2) no more than 10% of the assets that the target Fund (s) whose acquisition is contemplated may be invested in units of other target funds; and

(3) voting rights, if any, attaching to the shares of the target Fund(s) are suspended for as long as they are held by the Target Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and

(4) in any event, for as long as these securities are held by the Target Fund, their value will not be taken into consideration for the calculation of the net assets of the Target Fund Company for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Law.

(D) Restrictions on Currency Hedging

The Target Fund may for the purposes of hedging currency risks have outstanding commitments in respect of forward currency contracts, currency futures or currency swap agreements or currency options (sales of call options or purchases of put options) provided that the Target Fund may use currency contracts for the purpose of hedging provided that traded positions do not materially exceed the level necessary to cover the risk of a particular currency exposure.

The Target Fund may also use forward currency contracts to hedge back to investment currencies those investments which are made temporarily in other currencies, if for market reasons the Target Fund have decided to discontinue temporarily investments denominated in such currency. Similarly, the Target Fund may hedge through forward contracts or currency options the currency exposure of contemplated investments to be made in investment currencies, provided that these contracts are covered by assets denominated in the currency to be disposed of.

(E) Borrowing

The Target Fund may not borrow other than amounts which do not in aggregate exceed 10% of their net asset value, and then only as a temporary measure. The Target Fund may not borrow to finance margin deposits. For the purpose of this restriction back to back loans are not considered to be borrowings.

(F) Securities and Cash Lending

The Target Fund will not engage in securities or cash lending transactions where the Target Fund act as the lender of such securities or cash.

(G) Repurchase Agreements

The Target Fund will not enter into any repurchase agreements or reverse repurchase agreements.

Should the Target Fund use such techniques and instruments defined under items "Securities and Cash Lending" and "Repurchase Agreements" in the future, the Target Fund Company will comply with the applicable regulations and in particular Regulation (EU) 2015/2365 of 25 November 2015 on transparency of securities financing transactions and of reuse (the “SFT Regulation”) and all the information required by the SFT Regulation will be available upon request at the registered office of the Target Fund Company. The Target Fund Prospectus will be updated prior to the use of any such techniques and instruments.

As the date of the Target Fund Prospectus and unless otherwise provided in the Target Fund’s details in Appendix III of the Target Fund Prospectus, the Target Fund may enter into total return swaps.

(H) Short Selling

The Target Fund will only engage in short selling of investments through the use of derivatives.

(I) Underwriting

The Target Fund Company may acquire securities in which it is permitted to invest in pursuit of its investment objective and policy through underwriting or sub-underwriting.

(J) Japanese investment restrictions

To accommodate the potential investment of Japanese investors more than 50% of the value of the assets of the Target Fund must consist of "securities (yuka shoken)" (as defined in the Financial Instruments and Exchange Act of Japan (Law No.25 of 1948 as amended) or any successor regulation of Japan) (except for those rights regarded as securities by each Item of Paragraph 2 of Article 2 of the 2010 Law, but including the securities-related derivative transactions as prescribed by Item 6 of Paragraph 8 of Article 28, the same applies hereinafter) and so as long as any assets of any Investor are being invested in any shares, the Target Fund Investment Manager shall manage the Target Fund available to any investors so that at any time more than 50% of the value of the Target Fund will consist of such "securities". While ensuring observance of the principle of risk spreading across issuers, asset classes, and commodity sectors, the Target Fund may derogate from the diversification restrictions above for a period of six months following the date of the first net asset value calculation. If the percentage limitations set out above are exceeded for reasons beyond the control of the Target Fund, or for any reasons whatsoever, the investments must be brought back within the designated percentage limits within a reasonable period, taking due account of the shareholders’ interests.

(K) Management of Collateral

Collateral received for the benefit of the Target Fund may be used to reduce its counterparty risk exposure if it complies with the conditions set out in applicable laws and regulations. Where the Target Fund enters into OTC financial derivative transactions and efficient portfolio management techniques, all collateral used to reduce counterparty risk exposure shall comply with the following criteria at all times:

(1) Any collateral received other than cash shall be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation.

(2) Collateral received shall be valued in accordance with the rules described under the section "Calculation of Net Asset Value" of the Target Fund Prospectus on at least a daily basis. Assets that exhibit high price volatility shall not be accepted as collateral unless suitably conservative haircuts are in place.

(3) Collateral received shall be of high quality.

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

(5) Collateral shall be sufficiently diversified in terms of country, markets and issuers.

(6) Where there is a title transfer, the collateral received shall be held by the depositary or one of its subcustodians to which the depositary has delegated the custody of such collateral. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

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

(8) Subject to the above conditions, permitted forms of collateral include:

(i) cash and cash equivalents, including short-term bank certificates and money market instruments;

(ii) government bonds with any maturity issued by countries including but not limited to the UK, the United States, France and Germany with no minimum rating.

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate haircuts which will be determined for each asset class based on the haircut policy adopted by the Target Fund Management Company.

(1) Non-cash collateral received shall not be sold, reinvested or pledged.

(2) Cash collateral that isn’t received on behalf of currency hedged Target Fund share classes shall only be:

(i) placed on deposit with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a country which is an EU member state or, if the registered office of the credit institution is situated in a non-EU member state, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;

(ii) invested in high-quality government bonds;

(iii) used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Target Fund is able to recall at any time the full amount of cash on accrued basis;

(iv) invested in money market funds as defined in the "Guidelines on a Common Definition of European Money Market Funds", issued by ESMA (CESR/10-049) as may be amended from time to time or in money market funds as defined in the Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds.

Re-invested cash collateral shall be diversified in accordance with the diversification requirements applicable to non-cash collateral as set out above. Reinvestment of cash collateral involves certain risks for the Target Fund, as described in Appendix II.22 of the Target Fund Prospectus.

2.3. RESTRICTIONS ON SUBSCRIPTIONS AND SWITCHES INTO THE TARGET FUND OR TARGET FUND CLASSES

The Target Fund or Target Fund share class may be closed to new subscriptions or switches in (but not to redemptions or switches out) if, in the opinion of the Target Fund Management Company, the closure is necessary to protect the interests of existing shareholders. Without limiting the circumstances where the closure may be appropriate, the circumstances would be where the Target Fund or Target Fund share class has reached a size such that the capacity of the market has been reached or that it becomes difficult to manage in an optimal manner, and/or where to permit further inflows would be detrimental to the performance of the Target Fund or the Target Fund share class. The Target Fund or Target Fund share class may be closed to new subscriptions or switches in without notice to shareholders if Appendix III of the Target Fund Prospectus discloses that the Target Fund or Target Fund share class is capacity constrained. Once closed, the Target Fund, or Target Fund share class, will not be re-opened until, in the opinion of the Target Fund Management Company, the circumstances which required closure no longer prevail. The Target Fund or Target Fund share class may be reopened to new subscriptions or switches in without notice to shareholders.

You may refer to the Target Fund Prospectus for more information on restrictions on subscription and switches into the Target Fund or Target Fund classes.

2.4. SUSPENSION OR DEFERRALS

(A) The Target Fund Company reserves the right not to accept instructions to redeem or switch on any one Dealing Day more than 10% of the total value of shares in issue of the Target Fund. In these circumstances, the directors may declare that the redemption of part or all shares in excess of 10% for which a redemption or switch has been requested will be deferred until the next dealing day and will be valued at the net asset value per share prevailing on that dealing day. On such dealing day, deferred requests will be dealt with in priority to later requests and in the order that requests were initially received by the transfer agent.

(B) The Target Fund Company reserves the right to extend the period of payment of redemption proceeds to such period, not exceeding thirty business days, as shall be necessary to repatriate proceeds of the sale of investments in the event of impediments due to exchange control regulations or similar constraints in the markets in which a substantial part of the assets of the Target Fund are invested or in exceptional circumstances where the liquidity of the Target Fund is not sufficient to meet the redemption requests.

(C) The Target Fund Company may temporarily suspend or defer the calculation of the net asset value per share of any share class in the Target Fund and the issue and redemption of any shares in the Target Fund, as well as the right to switch shares of any share class in the Target Fund into shares of a different share class of the Target Fund or shares of a share class of any other fund:

(1) during any period when any of the principal stock exchanges or any other regulated market on which any substantial portion of the Target Fund Company's investments of the Target Fund for the time being are quoted, is closed, or during which dealings are restricted or suspended; or

(2) during any period when the net asset value of one or more UCI(s), in which the Target Fund Company will have invested and the units or the shares of which constitute a significant part of the assets of the Target Fund Company, is suspended or cannot be determined accurately so as to reflect their fair market value as at the Dealing Day; or

(3) during any period when the market value of one or more swap contract, in which the Target Fund Company will have invested and the value of which has a significant impact on the net asset value of the Target Fund, cannot be determined accurately so as to reflect their fair market value as at the Dealing Day; or

(4) during the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of investments of the Target Fund by the Target Fund Company is impracticable; or

(5) during any breakdown in the means of communication normally employed in determining the price or value of any of the Target Fund Company's investments or the current prices or values on any market or stock exchange; or

(6) during any period when the Target Fund Company is unable to repatriate funds for the purpose of making payments on the redemption of such shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of such shares cannot in the opinion of the directors be effected at normal rates of exchange; or

(7) if the Target Fund Company or the Target Fund is being or may be woundup or merged on or following (i) the date on which notice is given of the meeting of shareholders at which a resolution to wind up the Target Fund Company or the Target Fund is proposed or (ii) the date on which the directors decide to wind up or merge the Target Fund; or

(8) if the directors have determined that there has been a material change in the valuations of a substantial proportion of the investments of the Target Fund Company attributable to the Target Fund in the preparation or use of a valuation or the carrying out of a later or subsequent valuation; or

(9) during any other circumstance or circumstances where a failure to do so might result in the Target Fund Company or its shareholders incurring any liability to taxation or suffering other pecuniary disadvantages or any other detriment which the Target Fund Company or its shareholders might so otherwise have suffered; or

(10) during any period where circumstances exist that would justify the suspension for the protection of shareholders in accordance with the Law.

(D) The suspension of the calculation of the net asset value per share of the Target Fund or share class shall not affect the valuation of other funds or share classes, unless these funds or share classes are also affected.

(E) During a period of suspension or deferral, a shareholder may withdraw his request in respect of any shares not redeemed or switched, by notice in writing received by the transfer agent before the end of such period.

Shareholders will be informed of any suspension or deferral as appropriate.

2.5. SPECIFIC RISKS OF THE TARGET FUND

Please refer to "Specific Risks Related to the Target Fund" section at page 4 for details.

2.6. FEES CHARGED BY THE TARGET FUND (A SHARES)

FEES/EXPENSES	
Initial Charge	Up to 5.00% of the net asset value of the Target Fund
Distribution Charge	Nil
Management Fee	1.50% per annum of the net asset value of the Target Fund ***Note:*** *The management fee charged by the Target Fund will be paid out of the Management Fee charged by us at the Fund level. Unit holders will incur a Management Fee at the Fund's level only and there is no double charging of management fee.*
Redemption Fee	Nil
Performance Fee	10% (the multiplier) of the absolute outperformance over a high water mark, as per the methodology in sub-section headed "Performance Fees" in the Target Fund Prospectus.
Administration charge	Up to 0.25% per annum of the net asset value of the Target Fund
Fund accounting and valuation fee	Up to 0.0083% per annum of the net asset value of the Target Fund
Custody fee	Up to a maximum of 0.3% per annum and US$75 per transaction

Note: *For more information about Target Fund Prospectus and supplement, please refer to the website at* ***www.Schroders.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 unit of the 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% = MYR 500.00	= 10,000 units x USD 1.0000 x 5% = USD 500.00

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

3.1.2. Withdrawal Penalty

The withdrawal penalty is chargeable if withdrawal is made within three (3) months from the Commencement Date of the respective Classes. Thereafter, no withdrawal penalty will be charged. All withdrawal penalty will be retained by the Fund. Please refer to the Annexure of the respective Class for further information.

3.1.3. Switching Fee

Switching is treated as a withdrawal from a Class and an investment into another Class or Principal Malaysia's fund (or its class). You may be charged a switching fee equal to the difference (if any) between the Application Fee of the Class and the Application Fee of the other Class or Principal Malaysia's fund (or its class) to be switched into. Switching fee will not be charged if the Class or Principal Malaysia's fund (or its class) to be switched into has a lower Application Fee. In addition, you may be charged administrative fee for each 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 fees and expenses of the Fund will generally be apportioned to each Class currently available for sale based on the MCR except for Management Fee, and those 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

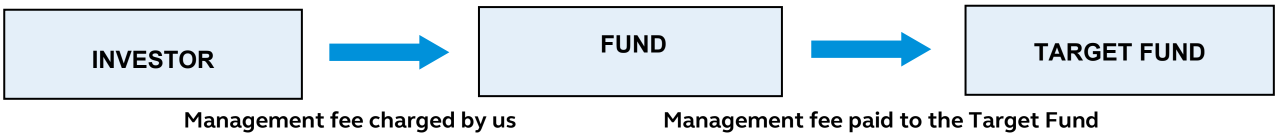
Management Fee is charged to the respective Class at the Class level, based on the NAV of the Class. Please refer to the Annexure of the respective Class for further information. The Management Fee shall be accrued daily and paid monthly.

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 85% of the Fund's NAV will be invested in another CIS, no additional Management Fee will be charged to the investor.



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 20 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 up to 0.03% per annum for 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 123.28*

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

3.2.3. Other costs of investing in a feeder fund

As the Fund will invest in units of the Target Fund, there are other fees and expenses incurred by the Target Fund which is set out in detail under "Fees charged by the Target Fund" section at page 20.

3.2.4. Other Expenses

The Deed also provides for payment of other expenses. The major expenses recoverable directly from the Fund include:

- commissions/fees paid to brokers/dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes or difference accounts;
- costs involved with external specialists approved by the Trustee in investigating and evaluating any proposed investment;
- (where the custodial function is delegated by the Trustee to a foreign sub-custodian), charges/fees paid to the foreign sub-custodian;
- expenses incurred in preparation and audit of the taxation returns and accounts of the Fund, including the printing of, purchasing of stationery and postage for the annual and semi-annual (if any) 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 charged on the Fund by the government and other authorities, if any, and bank fees;
- costs, fees and other expenses properly incurred by the auditor of the Fund and tax agent;
- costs, fees and expenses incurred for the fund valuation and accounting of the Fund performed by a fund valuation agent;
- costs incurred for the modification of the Deed otherwise than for the benefit of the Manager or Trustee;
- costs incurred for any meeting of Unit holders other than those convened for our benefit or Trustee's;
- fees for valuation of any investment of the Fund by independent valuers for the benefit of the Fund;
- the engagement of valuers, advisers and contractors of all kinds;
- termination of the Fund or Class and the retirement or removal of the Trustee or the Manager and the appointment of a new trustee or manager;

- any proceedings, arbitration or other dispute concerning the Fund, Class or any asset of the Fund, including proceedings against the Trustee or the Manager by the other of them for the benefit of the Fund or Class (except to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed out of the Fund);
- costs of obtaining experts opinion by the Trustee and the Manager for the benefit of the Fund or Class;
- the costs of printing and dispatching to Unit Holders the accounts of the Fund, tax certificates, distribution warrants, notices of meeting of Unit holders, newspaper advertisement and such other similar costs as may be approved by the Trustee;
- all costs and/or expenses associated with the distributions declared pursuant to the Deed and the payment of such distribution including without limitation fees, costs and/or expenses for the revalidation or reissuance of any distribution cheque or distribution warrant or telegraphic transfer.

Expenses not authorised by the Deed must be borne by us or the Trustee if incurred for our own respective benefit.

3.2.5. 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 is 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.

You should note that we may alter the fees and charges (other than the Trustee Fee) within such limits, and subject to such provisions, as set out in the Deed and the GLOLA.

You should note that we may, for any reason at any time, where applicable, waive or reduce the amount of any fees (except the Trustee Fee) or other charges payable by you in respect of the Fund, either generally (for all investors) or specifically (for any particular investor, a group of investors or investments made via any digital platform) and for any period or periods of time at our absolute discretion.

3.3. REBATES AND SOFT COMMISSIONS

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

We and the Sub-Manager 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 dealings 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 brokers or dealer, and we and the fund manager will not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions.

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

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

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, expenses and/or transaction information from time to time, subject to the requirements stipulated in the Deed. Where necessary, we will notify the Trustee and communicate to you and/or seek your approval on the amendments to the fees and charges.

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 applicable law and guidelines. The valuation bases for the investment 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 permitted investment and the accrued income thereon for the relevant period.

- **Derivative**
  For unlisted derivative instruments, we shall ensure that the valuation of the investment is valued daily at fair value as determination 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 for that 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 7 June 2022 your units will be based on the NAV per unit on 7 June 2022 which will be calculated on 8 June 2022. The NAV per unit will be made known on our website after 5:30 p.m. on 8 June 2022.

<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 7 June 2022, your units will be based on the NAV per unit on 8 June 2022, which will be calculated on 9 June 2022. The NAV per unit will be made known on our website after 5:30 p.m. on 9 June 2022.

The Fund must be valued at least once every Business Day. The method of determining 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 you, 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%	(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
NAV of the Fund before management 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)Creation of units	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 / NAV of the Fund before income and expenses	173,342,897 x 100 / 185,942,897 = 93.22%	12,600,000 x 100 / 185,942,897 = 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	MCR x Income = Income for Class ABC = 93.22% x USD 30,000 = USD 27,966	MCR x Income = Income for Class XYZ = 6.78% x USD 30,000 = USD 2,034
Less: Expenses	(10,000)	MCR x Expenses = Expenses for Class ABC = 93.22% x USD 10,000 = USD 9,322	MCR x Expenses = Expenses for Class XYZ =6.78% x USD 10,000 = USD 678

[3] *Net subscription amount*

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

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 in 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 = *RM1.0000 (truncated to 4 decimal places)*
Application Fee = *5.00%*
You wish to invest RM10,000 in the Fund.

*Calculation of number of units that you will receive**
= Investment amount / NAV per unit of Class XYZ
= RM10,000.00 / RM1.0000
= 10,000 units

Calculation of Application Fee that you will incur (payable in addition to the amount invested)
= NAV per unit of Class XYZ x number of units received x Application Fee rate
= RM1.0000 x 10,000 units x 5.00%
= RM500.00

Calculation of total amount that you will have to pay
= Investment amount + Application Fee paid
= RM10,000.00 + RM500.00
= RM10,500.00

** 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 Class XYZ of the Fund and the NAV per unit of Class XYZ for the Business Day is RM1.0240 (truncated to 4 decimal places).

Calculation of investment value
= Number of units x NAV per unit of Class XYZ
= 10,000.00 units x RM1.0240
= RM10,240.00.

Calculation of withdrawal value and amount payable to you

Assuming you request for a 10,000 units withdrawal. 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).

Calculation of amount payable to you
= Number of units withdrawn x NAV per unit of Class XYZ
= 10,000 units x RM1.0240
= RM10,240.00

** The withdrawal penalty is chargeable if a withdrawal is made within three (3) months from the Commencement Date. Thereafter, no withdrawal penalty will be charged.*

4.3. INCORRECT PRICING

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

Notwithstanding the above, unless the Trustee otherwise directs, we shall make the reimbursement, only where an incorrect pricing:
(i) is equal or more than 0.50% of the NAV per unit; and
(ii) results in a sum total of MYR10 (or in the case of a foreign currency Class, less than 10.00 denominated in the foreign currency denomination of the Class) or more to be reimbursed to a Unit holder for each sale or repurchase 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 a Sophisticated Investor who is:
- an individual 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 Sophisticated Investors and 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 reject an application on reasonable grounds.

Further, if we become aware of a USA person (i.e. someone who has a USA address (permanent or mailing) or contact number) or USA entity (i.e. a corporation, trust, partnership or other entity created or organised in or under the laws of the 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 will issue a notice to that Unit holder 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 or Principal Malaysia's office after completing the relevant application and attaching a copy of your identity card, passport or any other identification document. We may request for additional supporting document(s) or information from you. On the application form, please indicate clearly the amount you wish to invest in the Fund. We may introduce other mode of investment from time to time, subject to the approval of the relevant authorities.

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

4.4.3. Regular Savings Plan

RSP may be made available for certain Class. 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 our Distributors to invest a pre-determined amount in the Class each month. You may cancel your RSP at any time by providing written instructions to the relevant 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 recognized 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;
- IUTA; and
- such other channels as we may decide from time to time.

You may invest into the Fund via us or any of our Distributors. 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 at **(03) 7723 7260** or whatsapp at **+6016 2999792** or refer to our website at **www.principal.com.my** for more information.

You are advised not to make payment in cash to any individual agent or issue a cheque in the name of any individual agent or employee of Principal Malaysia when purchasing units of a 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 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. We will only process the completed applications with all the necessary or required information. 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. You will be paid in the currency of the Class (e.g. Class MYR will be paid in MYR) within seven (7) Business Days of receipt of the complete withdrawal request. You will have to bear the applicable bank fees and charges, if any.

You should note that the time taken to pay the withdrawal proceeds to you (i.e. seven (7) Business Days) may be extended/delayed if:

(i) There is temporary suspension of dealings at the Target Fund[Note 1];
(ii) There is deferral of redemption payment by the Target Fund[Note 2];
(iii) The dealings of the Fund are temporarily suspended by us[Note 3]; or

Should any of the above events occur, we may not be able to pay the withdrawal proceeds to you within seven (7) Business Days. However, we will pay the withdrawal proceeds to you within five (5) Business Days subsequent to the receipt of withdrawal proceeds from the Target Fund.

Note 1: *The dealings of the Target Fund may be suspended under the circumstances as described under "Suspension or Deferrals" section on page 19*

Note 2: *The Target Fund may limit the number of units redeemed on a dealing day to more than 10% of the NAV of the Target Fund as described under "Suspension or Deferrals" section on page 19.*

Note3: *We may temporarily suspend the dealing in units of the Classes or Fund, subject to the GLOLA and/or the Deed as described under "Temporary Suspension" section on page 30.*

Please refer to the respective sections for more information. Please consult your professional advisers for better understanding.

4.7. MINIMUM BALANCE

The minimum balance that must be maintained in your account for each Class may differ and may be determined by us from time to time. Please refer to the Annexure of the respective Class for further information. If the balance (i.e. number of units) of an investment drops below the minimum balance 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 Sophisticated Investors have six (6) Business Days after your initial investment (i.e. the date the complete application is received and accepted by us or our Distributors) to reconsider its appropriateness and suitability for your investment needs. Within this period, you may withdraw your investment at the same NAV per unit when the units were purchased or prevailing NAV per unit at the point of cooling-off (whichever is lower) ("Refund amount"). We will pay the Refund amount to you in the currency of the respective Class within seven (7) Business Days from the date we receive the completed documentations. If there are unforeseen circumstances that caused a delay in receiving the cooling-off proceeds from the Target Fund, we will pay to you the Refund amount within five (5) Business Days of the receipt of the Refund amount from the Target Fund. Please note that the cooling-off right is only given to first time investor investing with us or our Distributors. However, Principal Malaysia's staff or a person registered with a body approved by the SC to deal in unit trust funds are not entitled to the cooling-off right.

4.9. SWITCHING

Switching is available between the Classes of the Fund or between a Class and other Principal Malaysia's fund which should be denominated in the same currency. You may contact our Customer Care Centre at (03) 7723 7260 or whatsapp at +6016 299 9792 for more information on the availability of switching. Please also refer to the Annexure of the respective Class for further information.

To switch, simply complete a switch application and send to the relevant Distributor 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. You may be charged a Transfer Fee for each transfer. However, we may refuse to register any transfer of unit at our absolute discretion. Please refer to the Annexure of the respective Class for further information.

4.11. TEMPORARY SUSPENSION

We may temporarily suspend the dealing in units of the Classes or Fund, subject to the GLOLA and/or the Deed. 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 your request will only be processed on the next Business Day after the cessation of suspension of the Fund. You will be notified of the suspension and once the suspension is lifted.

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 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 of the Class 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 valid and active 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).

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 capital, realised income and/or realised gains, as well as the performance of the Fund.*

4.13. UNCLAIMED MONEYS

Any moneys payable to you which remain unclaimed after twelve (12) months as prescribed by 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 cheque, if any, which remains unclaimed for six (6) months will be reinvested into the Class within thirty (30) Business Days after the expiry of the cheque's validity period based on the prevailing NAV per unit on the day of the reinvestment provided that you still hold units of the Class. As for income distribution payout to you by bank transfer, if any, which remained unsuccessful and unclaimed for six (6) months, 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

31 May

5.2. INFORMATION ON YOUR INVESTMENT

We will send you the following:
- Monthly statement of your account showing details of 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 and the audited annual report will be sent to you within two (2) months of the end of the period reported.

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

5.3. TERMINATION OF FUND AND/OR ANY OF THE CLASSES

Subject to the provision set out below, 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 not less than three (3) months' notice in writing to the Unit holders as hereinafter provided (i) if any law shall be passed which renders it illegal or in the opinion of the Manager impracticable or inadvisable to continue the Fund or Class, as the case may be or (ii) if in our reasonable opinion it is impracticable or inadvisable to continue the Fund or Class, as the case may be. A Class may be terminated by Unit holders 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.

5.4. RIGHTS, LIABILITIES AND LIMITATIONS OF UNIT HOLDERS

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

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

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

Rights
As a Unit holder, you have the right, among others, to:
- inspect the register, free of charge, at any time at our registered office, and obtain such information pertaining to its units as permitted under the Deed and GLOLA;
- receive the distribution of the Class (if any), participate in any increase in the value of the units and to other rights and privileges as set out in the Deed;
- call for Unit holders' meetings under the following circumstances:
  - (i) to consider the most recent audited financial statements of the Fund;
  - (ii) to require the retirement or removal of the Manager or the Trustee;
  - (iii) to give to the Trustee such directions as the meeting thinks proper; or
  - (iv) to consider any other matter in relation to the Deed.
- vote for the removal of the Trustee or the Manager through a Special Resolution;
- receive annual and quarterly reports of the Fund; and
- exercise cooling-off right.

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

Liabilities

- Your liability is limited to the purchase price paid or agreed to be paid for a unit. You do not need to indemnify the Trustee or us in the event that the liabilities incurred by us and/or the Trustee in the name of or on behalf of the Fund pursuant to and/or in the performance of the provisions of the Deed exceed the value of the assets of the Fund.
- Any right of indemnity of us and/or the Trustee shall be limited to recourse to the Fund.

Limitations

You cannot:

- interfere with or question the exercise by the Trustee, or us on its behalf, of the rights of the Trustee as the registered owner of the assets of the Fund;
- claim any interest in the asset of the Fund; or
- require the asset of the Fund to be transferred to you.

Note: *You may refer to the Deed for full details of your rights.*

5.5. 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 and supplemental deed, if any;
- Information Memorandum and supplementary or replacement information memorandum, 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) financials years or if less than three (3) years, from the date of launch of the Fund;
- Material contracts or documents disclosed in this Information Memorandum; and
- The audited financial statements of the Manager and the Fund (where applicable) for the current financial year and for the last three (3) financials years or if less than three (3) years, from the date of incorporation or commencement.

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

We generally discourage cross trades and prohibit any transactions between client (s) accounts and fund accounts. Any cross trade activity require prior approval with the relevant supporting justification(s) to ensure the trades are executed in the best 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.

As for the Trustee 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, structured products, etc);
(2) where the Fund is being distributed by the related party of the Trustee as IUTA;
(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 that Fund (i.e. Trustee's delegate); and
(4) where the Fund obtains financing as permitted under the SC's guidelines, 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 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 form 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 Information Memorandum 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 repurchase 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 are there any facts likely to give rise to any proceedings which might materially affect the business/financial position of Principal Malaysia.

6.1.1. Designated person responsible for fund management function

Name:	Patrick Chang Chian Ping
Designation:	Chief Investment Officer, Malaysia & Chief Investment Officer, Equities, ASEAN Region
Experience:	He was appointed as the Chief Investment Officer on 22 February 2016. He comes with an extensive 20 years of experience in asset management and is backed by numerous ASEAN awards from Malaysian pension funds in 2013 and 2015. He was previously the Head of ASEAN equities at BNP Paribas Investment Partners, Malaysia where he was overseeing ASEAN equities for both Malaysian and offshore clients from 2012. Prior to that, he served as Senior Vice President for CIMB-Principal Asset Management Berhad where he specialised in Malaysia, ASEAN and Asia specialist funds. He also worked as a portfolio manager at Riggs and Co International Private Banking in London specialising in managing global ETF portfolios.
Qualifications:	MSc Finance from City University Business School and BSc Accounting and Financial Analysis from University of Warwick, UK.

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.

Roles, Duties and Responsibilities of the Trustee
The Trustee's main functions are to act as trustee and custodian of the assets of the Fund and to safeguard the interests of Unit holders of the Fund. In performing these functions, the Trustee has to exercise all due care, diligence and vigilance and is required to act in accordance with the provisions of the Deed, the CMSA and the GLOLA. 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 GLOLA. In respect of monies paid by an investor for the application of units, the Trustee's responsibility arises when the monies are received in the relevant account of the Trustee for the Fund and in respect of withdrawal, 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 GLOLA 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.

7.1.1. Trustee's Delegate

The Trustee has appointed the Hongkong and Shanghai Banking Corporation Limited 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 Limited is a wholly owned subsidiary of HSBC Holdings Plc, the holding company of the HSBC Group. The custodian's comprehensive custody and clearing services cover traditional settlement processing and safekeeping as well as corporate related services including cash and security reporting, income collection and corporate events processing. All investments are registered in the name of the Trustee for the Fund or to the order of the Trustee. The custodian acts only in accordance with instructions from the Trustee. The Trustee shall be responsible for the acts and omissions of its delegate as though they were its own acts and omissions.

However, the Trustee is not liable for the acts, omissions or failure of third party depository 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.

7.1.2. 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.

7.1.3. 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.

ANNEXURE - CLASS USD

This section is only a summary of the salient information about Class USD. You should read and understand the entire Information Memorandum before investing and keep this Information Memorandum 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 the PFG, CIMB Group and the Trustee do not guarantee the return of your capital.

CLASS INFORMATION

Class USD		Page
Currency denomination	USD	
Distribution policy	Given the Fund's investment objective, the class of the Fund 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 realised income for distribution and performance of the Fund.	30

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.	21
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**.**	21
Switching Fee	Switching is treated as a withdrawal from this Class and an investment into another Class or Principal Malaysia's fund (or its class). As such, you will be charged a switching fee equal to the difference (if any) between the Application Fee of this Class and the Application Fee of the other Class or Principal Malaysia's fund (or its class) to be switched into. switching fee will not be charged if the Class or Principal Malaysia's fund (or its class) to be switched into has a lower Application Fee. In addition, we may impose 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.	21
Transfer Fee	A maximum of USD15 may be charged for each transfer.	21
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.	21
Trustee Fee	Up to 0.03% per annum (including local custodian fee but excluding foreign sub-custodian fee and charges).	22
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.	22
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.	22

Note: *Despite the maximum Application Fee disclosed above, you may negotiate with us or Distributors for lower fees or charges. We and our Distributors reserve our sole and absolute discretion to accept or reject your request and without having to assign any reason.*

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

TRANSACTION INFORMATION

	Class USD	Page
Minimum initial investment	USD1,000 or such other amount as we may decide from time to time.	28
Minimum additional investment	USD500 or such other amount as we may decide from time to time.	28
Minimum withdrawal	500 units or such other number of units as we may decide from time to time.	29
Minimum balance	1,000 units or such other number of units as we may decide from time to time.	29
Regular Savings Plan	Currently, RSP is not available.	28
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.	30
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.	30

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 Information Memorandum.

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 AUD-HEDGED

This section is only a summary of the salient information about Class AUD-Hedged. You should read and understand the entire Information Memorandum before investing and keep this Information Memorandum 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 the PFG, CIMB Group and the Trustee do not guarantee the return of your capital.

CLASS INFORMATION

Class AUD-Hedged		Page
Currency denomination	AUD	
Distribution policy	Given the Fund's investment objective, the class of the Fund 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 realised income for distribution and performance of the Fund.	30

FEES & CHARGES

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

Charges	Class AUD-Hedged	Page
Application Fee	Up to 5.00% of the NAV per unit.	21
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.	21
Switching Fee	Switching is treated as a withdrawal from this Class and an investment into another Class or Principal Malaysia's fund (or its class). As such, you will be charged a switching fee equal to the difference (if any) between the Application Fee of this Class and the Application Fee of the other Class or Principal Malaysia's fund (or its class) to be switched into. switching fee will not be charged if the Class or Principal Malaysia's fund (or its class) to be switched into has a lower Application Fee. In addition, we may impose AUD35 as the administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fee with us or our Distributors. We also have the discretion to waive the Switching Fee and/or administrative fee.	21
Transfer Fee	A maximum of AUD15 may be charged for each transfer.	21
Other charges payable directly by you when purchasing or withdrawing the units	Any applicable bank charges and other bank fees incurred as a result of an investment or withdrawal will be borne by you.	

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

Fees	Class AUD-Hedged	Page
Management Fee	Up to 1.80% per annum of the NAV of the Class.	21
Trustee Fee	Up to 0.03% per annum (including local custodian fee but excluding foreign sub-custodian fee and charges).	22
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.	22
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.	22

Note: *Despite the maximum Application Fee disclosed above, you may negotiate with us or Distributors for lower fees or charges. We and our Distributors reserve our sole and absolute discretion to accept or reject your request and without having to assign any reason.*

Subject always to the provisions of the Deed and the GLOLA, we reserve our sole and absolute discretion without providing any reason whatsoever and at any time to amend, vary, waive and/ or reduce the fees and charges (except for 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	AUD1,000 or such other amount as we may decide from time to time.	28
Minimum additional investment	AUD500 or such other amount as we may decide from time to time.	28
Minimum withdrawal	500 units or such other number of units as we may decide from time to time.	29
Minimum balance	1,000 units or such other number of units as we may decide from time to time.	29
Regular Savings Plan	Currently, RSP is not available.	28
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.	30
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.	30

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 Information Memorandum.

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 Information Memorandum before investing and keep this Information Memorandum 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 the PFG, CIMB Group and the Trustee do not guarantee the return of your capital.

CLASS INFORMATION

Class MYR-Hedged		Page
Currency denomination	MYR	
Distribution policy	Given the Fund's investment objective, the class of the Fund 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 realised income for distribution and performance of the Fund.	30

FEES & CHARGES

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

Charges	Class MYR-Hedged	Page
Application Fee	Up to 5.00% of the NAV per unit.	21
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.	21
Switching Fee	Switching is treated as a withdrawal from this Class and an investment into another Class or Principal Malaysia's fund (or its class). As such, you will be charged a switching fee equal to the difference (if any) between the Application Fee of this Class and the Application Fee of the other Class or Principal Malaysia's fund (or its class) to be switched into. Switching fee will not be charged if the Class or Principal Malaysia's fund (or its class) to be switched into has a lower Application Fee. In addition, we may impose MYR100 as the administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fee with us or our Distributors. We also have the discretion to waive the Switching Fee and/or administrative fee.	21
Transfer Fee	A maximum of MYR50 may be charged for each transfer.	21
Other charges payable directly by you when purchasing or withdrawing the units	Any applicable bank charges and other bank fees incurred as a result of an investment or withdrawal will be borne by you.	

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

Fees	Class MYR-Hedged	Page
Management Fee	Up to 1.80% per annum of the NAV of the Class.	21
Trustee Fee	Up to 0.03% per annum (including local custodian fee but excluding foreign sub-custodian fee and charges).	22
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.	22
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.	22

Note: *Despite the maximum Application Fee disclosed above, you may negotiate with us or Distributors for lower fees or charges. We and our Distributors reserve our sole and absolute discretion to accept or reject your request and without having to assign any reason.*

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

TRANSACTION INFORMATION

	Class MYR-Hedged	Page
Minimum initial investment	MYR1,000 or such other amount as we may decide from time to time.	28
Minimum additional investment	MYR500 or such other amount as we may decide from time to time.	28
Minimum withdrawal	500 units or such other number of units as we may decide from time to time.	29
Minimum balance	1,000 units or such other number of units as we may decide from time to time.	29
Regular Savings Plan	RSP is available. The RSP allows you to make regular monthly investments of MYR500 or more, directly from your account held with a bank approved by us or our Distributors. The minimum initial investment for the RSP is MYR1,000 or such other amount as we may decide from time to time.	28
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.	30
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.	30

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 Information Memorandum.

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 Information Memorandum before investing and keep this Information Memorandum 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 the PFG, CIMB Group and the Trustee do not guarantee the return of your capital.

CLASS INFORMATION

Class SGD-Hedged		Page
Currency denomination	SGD	
Distribution policy	Given the Fund's investment objective, the class of the Fund 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 realised income for distribution and performance of the Fund.	30

FEES & CHARGES

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

Charges	Class SGD-Hedged	Page
Application Fee	Up to 5.00% of the NAV per unit.	21
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**.**	21
Switching Fee	Switching is treated as a withdrawal from this Class and an investment into another Class or Principal Malaysia's fund (or its class). As such, you will be charged a switching fee equal to the difference (if any) between the Application Fee of this Class and the Application Fee of the other Class or Principal Malaysia's fund (or its class) to be switched into. switching fee will not be charged if the Class or Principal Malaysia's fund (or its class) to be switched into has a lower Application Fee. In addition, we may impose SGD35 as the administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fee with us or our Distributors. We also have the discretion to waive the Switching Fee and/or administrative fee.	21
Transfer Fee	A maximum of SGD15 may be charged for each transfer.	21
Other charges payable directly by you when purchasing or withdrawing the units	Any applicable bank charges and other bank fees incurred as a result of an investment or withdrawal will be borne by you.	

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

Fees	Class SGD-Hedged	Page
Management Fee	Up to 1.80% per annum of the NAV of the Class.	21
Trustee Fee	Up to 0.03% per annum (including local custodian fee but excluding foreign sub-custodian fee and charges).	22
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.	22
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.	22

Note: *Despite the maximum Application Fee disclosed above, you may negotiate with us or Distributors for lower fees or charges. We and our Distributors reserve our sole and absolute discretion to accept or reject your request and without having to assign any reason.*

Subject always to the provisions of the Deed and the GLOLA, we reserve our sole and absolute discretion without providing any reason whatsoever and at any time to amend, vary, waive and/ or reduce the fees and charges (except for 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	SGD1,000 or such other amount as we may decide from time to time.	28
Minimum additional investment	SGD500 or such other amount as we may decide from time to time.	28
Minimum withdrawal	500 units or such other number of units as we may decide from time to time.	29
Minimum balance	1,000 units or such other number of units as we may decide from time to time.	29
Regular Savings Plan	Currently, RSP is not available.	28
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.	30
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.	30

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 Information Memorandum.

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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