

FIRST SUPPLEMENTAL INFORMATION MEMORANDUM FOR PRINCIPAL CHINA MULTI ASSET INCOME FUND

Manager : **Principal Asset Management Berhad (199401018399 (304078-K))**

Trustee : **HSBC (Malaysia) Trustee Berhad (193701000084 (1281-T))**

This First Supplemental Information Memorandum is dated 26 February 2024 and is to be read in conjunction with the Information Memorandum Issue No. 2 dated 31 December 2019 for the Principal China Multi Asset Income Fund (“Information Memorandum”).

The Fund was constituted on 28 June 2017.

The Securities Commission Malaysia has not authorised or recognised the Fund and a copy of this First Supplemental Information Memorandum has not been registered with the Securities Commission Malaysia.

The lodgement of this First Supplemental Information Memorandum should not be taken to indicate that the Securities Commission Malaysia recommends the Fund or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this First Supplemental Information Memorandum.

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

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

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

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1.0. GENERAL

- 1.1. This First Supplemental Information Memorandum is issued to reflect the amendments made to the Information Memorandum as stated under paragraphs 1.4, 1.5, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 15 below.
- 1.2. All terms used in this First Supplemental Information Memorandum shall have the same meanings as those defined in the Definitions Chapter of the Information Memorandum unless where the context otherwise requires.
- 1.3. All information provided herein is practicable as at 31 January 2024 and shall remain current and relevant as at such date.
- 1.4. All references to “Principal China Multi Asset Income Fund (*formerly known as CIMB-Principal China Multi Asset Income Fund*)” and “Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*)” in the Information Memorandum shall be amended to Principal China Multi Asset Income Fund and Principal Asset Management Berhad respectively.
- 1.5. All references to “rounded down” in the Information Memorandum shall be amended to “rounded”.

2.0. ABOUT THIS DOCUMENT

- 2.1. The third paragraph under the section of “**About This Document**” at page i has been replaced and read as below:

If you have any questions about the Fund, please call our Customer Care Centre at (03) 7723 7260 or Whatsapp at +6016 299 9792 during business hour between 8:45 a.m. and 5:45 p.m. (Malaysian time) from Mondays to Fridays.

3.0. DEFINITIONS

- 3.1. The definition of “Principal Distributors” under the section of “**Definitions**” at page iii has been replaced and read as below:

Principal Distributors - Refers to the authorised unit trust scheme consultants registered with Principal Malaysia.

- 3.2. The definition of “Sophisticated Investor” under the section of “**Definitions**” at page iii has been replaced and read as below:

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) Is determined to be a sophisticated investor under the SC’s Guidelines on Categories of Sophisticated Investors, as amended from time to time; or
- (ii) acquires any capital market products where the consideration is not less than MYR250,000 or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise, and/or any other category(ies) of investors as may be permitted by the SC from time to time.

Note: For more information, please refer to our website at www.principal.com.my for the current and/or updated definition and categories of “Sophisticated Investor”.

4.0. FEES, CHARGES AND EXPENSES

- 4.1. The fourth bullet point under the section of “**Other Expenses**” at page 31 has been replaced and read as below:

- fees incurred for the fund valuation and accounting of the Fund performed by a fund administrator/ valuation agent;

- 4.2. The seventh bullet point under the section of “**Other Expenses**” at page 31 has been replaced and read as below:

- expenses incurred in the sale, purchase, insurance, custody and any other dealings of investments including commissions/fees paid to brokers

THIS IS A FIRST SUPPLEMENTAL INFORMATION MEMORANDUM WHICH HAS TO BE READ IN CONJUNCTION WITH THE INFORMATION MEMORANDUM

- 4.3. The thirteenth bullet point under the section of “**Other Expenses**” at page 32 has been replaced and read as below:
- remuneration and out of pocket expenses of the person(s) or members of a committee undertaking the oversight function of the Fund, if applicable, unless we decide to bear the same;

- 4.4. The fourteenth bullet point under the section of “**Other Expenses**” at page 32 has been replaced and read as below:
- expenses incurred in the printing of, purchasing of stationery and postage of the annual and quarterly (if any) reports;

- 4.5. The information under the section of “**Rebates and Soft Commissions**” at page 32 has been replaced and read as below:

We and the Trustee 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 rebate or shared commission will be directed to the account of the Fund.

We may retain goods and services (soft commission) provided by any broker or dealer if the following conditions are met:

- (a) the soft commission brings 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 commission is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and we will not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commission.

5.0. TRANSACTION INFORMATION

- 5.1. The second paragraph under the section of “**Incorrect Pricing**” at page 35 has been replaced and read as below:

Notwithstanding the above, unless the Trustee otherwise directs, we shall make the reimbursement only where an incorrect pricing:

- a) is equal to or more than 0.50% of the NAV per unit; and
- b) results in a sum total of USD10.00 (or in the case of a foreign currency Class, 10.00 denominated in the foreign currency denomination of the Class) or more to be reimbursed to a Unit holder for each sale or withdrawal transaction.

- 5.2. The first bullet point in the second paragraph under the section of “**How to invest?**” at page 36 has been replaced and read as below:

- by crossed cheque (made payable as advised by us or our Distributors as the case may be). You will have to bear the applicable bank fees and charges, if any;

- 5.3. The textbox under the section of “**Can the units be registered in the name of more than one (1) Unit holder?**” at page 36 has been replaced and read as below:

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

- 5.4. The information under the section of “**Processing a withdrawal**” at page 36 and 37 has been replaced and read as below:

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, which will only be known on the following Business Day. If we receive the complete 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. The amount that you will receive is calculated by the withdrawal value less the Withdrawal Fee, if any. You will be paid in the currency of the Class (e.g. Class USD Unit holders will be paid in USD) within seven (7) Business Days upon our receipt of the complete withdrawal request. You will have to bear the applicable bank fees and charges, if any.

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) The Target Fund is suspended ^{Note 1}; or
- (ii) The redemption request of the Target Fund is deferred ^{Note 2}.

THIS IS A FIRST SUPPLEMENTAL INFORMATION MEMORANDUM WHICH HAS TO BE READ IN CONJUNCTION WITH THE INFORMATION MEMORANDUM

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 redemption proceeds from the Target Fund Manager.

Note 1: *During the period when the Target Fund is suspended, the Target Fund Manager will not accept any subscriptions and/or redemptions and the calculation of the Target Fund's NAV will be suspended.*

Note 2: *The Target Fund Manager may limit the number of units redeemed on any dealing day to 10% of the total number of units in issue of the Target Fund. In such event, units of the Target Fund may be redeemed on a pro rata basis and any part of a redemption request to which affect is not given by reason of this will be treated as if a request has been made in respect of the next dealing day and all following dealing day until the original request has been satisfied in full.*

Please refer to the "Restrictions on Redemption" section at page 28 for more information. If in doubt, please consult your professional advisers.

- 5.5. The information under the section of "**Cooling-Off Period**" at page 37 has been replaced and read as below:

Individual Sophisticated Investors have six (6) Business Days after your initial investment (i.e. from the date the complete application is received and accepted by us or any of our Distributors) to reconsider the appropriateness and suitability for your investment needs. Within this period, you may withdraw your investment at the same NAV per unit when the units were purchased or prevailing NAV per unit at the point of cooling-off (whichever is lower) ("Refund Amount"). We will pay the Refund Amount including the Application Fee (if any) to you in the currency of the respective Class within seven (7) Business Days from the date we receive the complete documentations. 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, corporations or institutions, Principal Malaysia's staff and person(s) registered with a body approved by the SC to deal in unit trust funds are not entitled to the cooling-off right.

- 5.6. The first paragraph under the section of "**Switching**" at page 37 has been replaced and read as below:

Switching is available between the Classes of the Fund or between a Class and other Principal Malaysia's funds (or its classes), 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.

- 5.7. The following paragraphs have been inserted immediately after the fourth paragraph under the section of "**Distribution Payment**" at page 38:

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

After taking into consideration the level of capital and performance of the Fund and subject to healthy cash flow of the Fund, any distribution out of capital we make, we will ensure that proper decisions can be made in reducing cost and to ensure stability and sustainability of distribution of income for the Fund without generating any additional risk to the Fund.

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

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

THIS IS A FIRST SUPPLEMENTAL INFORMATION MEMORANDUM WHICH HAS TO BE READ IN CONJUNCTION WITH THE INFORMATION MEMORANDUM

6.0. ADDITIONAL INFORMATION

- 6.1. The information under the section of “**Termination of Fund and/or Any of the Classes**” at page 39 has been replaced and read as below:

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 (whose consent shall not be unreasonably withheld) upon the occurrence of any of the following events, by giving not less than one (1) month' notice in writing to the Unit holders as hereinafter provided (i) if any law shall be passed which renders it illegal or (ii) if in our reasonable opinion it is impracticable or inadvisable to continue the Fund and/or the Class.

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.

- 6.2. The third bullet point under the section of “**Documents Available For Inspection**” at page 40 has been replaced and read as below:

- The latest annual and quarterly reports of the Fund;

- 6.3. The information under the section of “**Potential Conflicts of Interests and Related-party Transactions**” at page 40 and 41 has been replaced and read as below:

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

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

The Fund may maintain Deposits with CIMB Bank Berhad, 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.

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

The Target Fund Manager, Target Fund Investment Adviser, Target Fund's trustee, and Trustee are members of the HSBC Group and are ultimately owned by the HSBC Holding plc.

In addition to the abovementioned, there may be related party transaction 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;
- 3) where the assets of the Fund are being custodised by the related party of the Trustee both as sub-custodian and/or global custodian of the Fund (Trustee's delegate); and
- 4) where the Fund obtains financing 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.

THIS IS A FIRST SUPPLEMENTAL INFORMATION MEMORANDUM WHICH HAS TO BE READ IN CONJUNCTION WITH THE INFORMATION MEMORANDUM

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 Unit holder or retain for its own benefit any profits or benefits derived from any such contract or transaction or act in the same or similar capacity in relation to any other scheme.

7.0. THE MANAGER

7.1. The information under the section of “**The Manager**” at page 42 has been replaced and read as below:

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 investment objectives;
- ensuring that the Fund has sufficient holdings in liquid assets;
- arranging for the sale and withdrawal of units;
- calculating the amount of income to be distributed to Unit holders, if any; and
- maintaining proper records of the Fund.

As at 31 January 2024, 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.

8.0. THE TRUSTEE

8.1. The first paragraph under the section of “**About HSBC (Malaysia) Trustee Berhard**” at page 43 has been replaced and read as below:

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

8.2. The information under the section of “**Trustee's Delegate**” at page 43 has been replaced and read as below:

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

THIS IS A FIRST SUPPLEMENTAL INFORMATION MEMORANDUM WHICH HAS TO BE READ IN CONJUNCTION WITH THE INFORMATION MEMORANDUM

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 in any circumstances.

9.0 ANNEXURE – CLASS MYR

9.1 The information under the section of “**Distribution Policy**” at page 45 has been replaced and read as below:

Distribution Policy	Quarterly, depending on market conditions, the availability of realised income and/or realised gains and at our discretion. <i>Note: The Class may distribute income from realised income, realised capital gains, unrealised income, unrealised capital gains, capital and/or a combination of any of the above. We reserve the right to vary the frequency and/or amount of distributions.</i>	38
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10.0 ANNEXURE – CLASS SGD

10.1 The information under the section of “**Distribution Policy**” at page 48 has been replaced and read as below:

Distribution Policy	Quarterly, depending on market conditions, the availability of realised income and/or realised gains and at our discretion. <i>Note: The Class may distribute income from realised income, realised capital gains, unrealised income, unrealised capital gains, capital and/or a combination of any of the above. We reserve the right to vary the frequency and/or amount of distributions.</i>	38
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11.0 ANNEXURE – CLASS USD

11.1 The information under the section of “**Distribution Policy**” at page 51 has been replaced and read as below:

Distribution Policy	Quarterly, depending on market conditions, the availability of realised income and/or realised gains and at our discretion. <i>Note: The Class may distribute income from realised income, realised capital gains, unrealised income, unrealised capital gains, capital and/or a combination of any of the above. We reserve the right to vary the frequency and/or amount of distributions.</i>	38
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12.0 ANNEXURE – CLASS AUD-HEDGED

12.1 The information under the section of “**Distribution Policy**” at page 54 has been replaced and read as below:

Distribution Policy	Quarterly, depending on market conditions, the availability of realised income and/or realised gains and at our discretion. <i>Note: The Class may distribute income from realised income, realised capital gains, unrealised income, unrealised capital gains, capital and/or a combination of any of the above. We reserve the right to vary the frequency and/or amount of distributions.</i>	38
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13.0 ANNEXURE – CLASS MYR-HEDGED

13.1 The information under the section of “**Distribution Policy**” at page 57 has been replaced and read as below:

Distribution Policy	Quarterly, depending on market conditions, the availability of realised income and/or realised gains and at our discretion. <i>Note: The Class may distribute income from realised income, realised capital gains, unrealised income, unrealised capital gains, capital and/or a combination of any of the above. We reserve the right to vary the frequency and/or amount of distributions.</i>	38
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THIS IS A FIRST SUPPLEMENTAL INFORMATION MEMORANDUM WHICH HAS TO BE READ IN CONJUNCTION WITH THE INFORMATION MEMORANDUM

14.0 ANNEXURE – CLASS RMB-HEDGED

14.1 The information under the section of “**Distribution Policy**” at page 60 has been replaced and read as below:

Distribution Policy	Quarterly, depending on market conditions, the availability of realised income and/or realised gains and at our discretion.	38
	<i>Note: The Class may distribute income from realised income, realised capital gains, unrealised income, unrealised capital gains, capital and/or a combination of any of the above. We reserve the right to vary the frequency and/or amount of distributions.</i>	

15.0 ANNEXURE – CLASS SGD-HEDGED

15.1 The information under the section of “**Distribution Policy**” at page 63 has been replaced and read as below:

Distribution Policy	Quarterly, depending on market conditions, the availability of realised income and/or realised gains and at our discretion.	38
	<i>Note: The Class may distribute income from realised income, realised capital gains, unrealised income, unrealised capital gains, capital and/or a combination of any of the above. We reserve the right to vary the frequency and/or amount of distributions.</i>	
