

FIRST SUPPLEMENTAL PROSPECTUS FOR PRINCIPAL MONEY MARKET INCOME FUND

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

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

This First Supplemental Prospectus is dated 5 September 2023 and is to be read in conjunction with the Prospectus Issue No. M2 for the Principal Money Market Income Fund dated 3 July 2023 (“Prospectus”).

This Fund was constituted on 20 January 2004.

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

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RESPONSIBILITY STATEMENTS

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

STATEMENTS OF DISCLAIMER

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

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

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

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

ADDITIONAL STATEMENTS

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

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1.0. GENERAL

- 1.1 This First Supplemental Prospectus is issued to reflect the amendments made to the Prospectus as stated under paragraphs 1.4, 2, 3, 4, 5, 6, 7, 8, and 9 below.
- 1.2 All terms used in this First Supplemental Prospectus shall have the same meanings as those defined in the Definitions Chapter of the Prospectus unless where the context otherwise requires.
- 1.3 All information provided herein is practicable as at 30 June 2023 and shall remain current and relevant as at such date.
- 1.4 With effect from 3 October 2023, Maybank Trustees Berhad will be replaced by HSBC (Malaysia) Trustee Berhad. All references to Maybank Trustees Berhad (196301000109 (5004-P)) in the Prospectus shall be amended to HSBC (Malaysia) Trustee Berhad (193701000084 (1281-T)) with effect from 3 October 2023.

2.0. DEFINITIONS

- 2.1 The following definition will be inserted under the section of “**Definitions**” at page ii with effect from 3 October 2023:
- HSBC Group - HSBC Holdings plc, its subsidiaries, related bodies corporate, associated entities and undertakings and any of their branches.

3.0. CORPORATE DIRECTORY

- 3.1 The corporate information of “The Trustee” under the section of “**Corporate Directory**” at page iv will be replaced and read as below with effect from 3 October 2023:

The Trustee

HSBC (Malaysia) Trustee Berhad

Business/Registered address

Level 19, Menara IQ, Lingkaran TRX
55188 Tun Razak Exchange
Kuala Lumpur, MALAYSIA
Tel : (603) 2075 7800
Fax : (603) 8894 2611
Email : fs.client.services.myh@hsbc.com.my

4.0. FEES, CHARGES AND EXPENSES

- 4.1 The information under the section of “**Trustee Fee**” at page 7 will be replaced and read as below with effect from 3 October 2023:

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

The Trustee Fee is 0.015% per annum for the Fund.

Below is an illustration on how the Trustee Fee is calculated, assuming the NAV of the Fund is MYR 200 million:-

Trustee Fee for the day	=	NAV of the Fund x annual Trustee Fee rate for the Fund (%) / 365 days
	=	MYR 200 million x 0.015% per annum / 365 days
	=	MYR 82.19

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

5.0. TRANSACTION INFORMATION

- 5.1 The illustration on computation of the NAV of the Fund at pages 10 and 11 will be replaced and read as below with effect from 3 October 2023:

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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 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 (MYR)	Class ABC (Denominated in MYR) (MYR)	Class XYZ (Denominated in MYR) (MYR)
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)
NAV of the Fund before management and trustee fee	185,962,897.00	173,361,541.75	12,601,355.25
Less: Management fee	(2037.95)	0.40% p.a. (1899.85)	0.40% p.a. (138.10)
Less: Trustee fee	0.015% p.a. (76.42)	- (71.24)	- (5.18)
NAV of the Fund	185,960,782.63	173,359,570.66	12,601,211.97
Units in circulation	205,000,000.00 units	170,000,000.00 units	35,000,000.00 units
NAV per unit		1.0197	0.3600

	Fund (MYR)	Class ABC (Denominated in MYR) (MYR)	Class XYZ (Denominated in MYR) (MYR)
NAV of the Fund before creation of units for the day	185,960,782.63	173,359,570.66	12,601,211.97
⁽³⁾ Net subscription amount	2,000,000.00	1,000,000.00	1,000,000.00
Closing NAV	187,960,782.63	174,359,570.66	13,601,211.97
Units in circulation	208,758,458.37 units	170,980,680.59 units	37,777,777.78 units
NAV per unit		1.0197	0.3600

Note :

⁽¹⁾ MCR computation

	Class ABC (Denominated in MYR) (MYR)	Class XYZ (Denominated in MYR) (MYR)
<u>NAV of the Class x 100</u>	<u>173,342,897.00 x 100</u>	<u>12,600,000.00 x 100</u>
NAV of the Fund before income and expenses	185,942,897.00	185,942,897.00
	= 93.22%	= 6.78%

⁽²⁾Apportionment based on MCR is as follows:

Class ABC (Denominated in MYR)	Class XYZ (Denominated in MYR)
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	(MYR)	(MYR)	(MYR)
Add: Income	30,000.00	MCR x Income = Income for Class ABC = 93.22% x MYR 30,000.00 = MYR 27,966.00	MCR x Income = Income for Class XYZ = 6.78% x MYR 30,000.00 = MYR 2,034.00
Less: Expenses	(10,000.00)	MCR x Expenses = Expenses for Class ABC = 93.22% x MYR 10,000.00 = MYR 9,322.00	MCR x Expenses = Expenses for Class XYZ = 6.78% x MYR 10,000.00 = MYR 678.00

^(b) Net subscription amount

	Class ABC (Denominated in MYR) (MYR)	Class XYZ (Denominated in MYR) (MYR)
Net subscription amount	MYR 1,000,000.00	MYR 1,000,000.00
NAV per unit	MYR 1.0197	MYR 0.3600
Number of units	980,680.59 units	2,777,777.78 units
Net subscription amount *	MYR 1,000,000	MYR 1,000,000

*Subscription amount net of any withdrawal amount.

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

5.2. The first bullet point in the second paragraph under the section of “How to invest?” at page 12 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;

6.0. ADDITIONAL INFORMATION

6.1. The information under the section of “Deed” at page 17 has been replaced and read as below:

The Fund is governed by a Deed dated 15th May 2008, a Fifth Supplemental Master Deed dated 16th July 2009, a Thirteenth Supplemental Master Deed dated 26th June 2012, the Eighteenth Supplemental Master Deed dated 25th March 2015, a Twentieth Supplemental Master Deed dated 21st October 2019, Twenty Second Supplemental Master Deed dated 7 May 2021, Twenty Third Supplemental Master Deed dated 27 June 2022, Twenty Fourth Supplemental Master Deed dated 13 January 2023 and Twenty Fifth Supplemental Master Deed dated 26 May 2023.

7.0. THE TRUSTEE

7.1. The information under the section of “The Trustee” at page 21 and 22 will be replaced and read as below with effect from 3 October 2023:

HSBC (Malaysia) Trustee Berhad 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.

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.

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 GUTF. Apart from being the legal owner of the Fund’s assets, the Trustee is also responsible for ensuring that the Manager performs its duties and obligations in accordance with the provisions of the Deed, the CMSA and the GUTF. In respect of monies paid by an investor for the application of units, the Trustee’s responsibility arises when the monies are

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received in the relevant account of the Trustee for the Fund and in respect of redemption, the Trustee's responsibility is discharged once it has paid the redemption 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 (including personal data of the Unit holders, where applicable) for the purposes of performing its duties and obligations in accordance to the Deed, the CMSA, the GUTF and any other legal and/or regulatory obligations such as conducting financial crime risk management, to the Trustee's parent company, subsidiaries, associate companies, affiliates, delegates, service providers, agents and any governing or regulatory authority, whether within or outside Malaysia (who may also subsequently process, transfer, release and disclose such information for any of the above mentioned purposes) on the basis that the recipients shall continue to maintain the confidentiality of information disclosed, as required by law, regulation or directive, or in relation to any legal action, or to any court, regulatory agency, government body or authority.

Trustee's Delegate

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.

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.

Trustee's Disclosure of Material Litigation

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.

Trustee's Statement of Responsibility

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

8.0. ANNEXURE - CLASS AI

8.1. The information under the section of "**Trustee Fee**" at page 36 has been replaced and read as below:

Trustee Fee	Before 3 October 2023 Up to 0.03% per annum of the NAV of the Fund.	7
	After 3 October 2023 Up to 0.015% per annum of the NAV of the Fund.	

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9.0. ANNEXURE - CLASS AR

9.1. The information under the section of "**Trustee Fee**" at page 39 has been replaced and read as below:

Trustee Fee	Before 3 October 2023 Up to 0.03% per annum of the NAV of the Fund.	7
	After 3 October 2023 Up to 0.015% per annum of the NAV of the Fund.	

10.0. CONSENT

10.1. HSBC (Malaysia) Trustee Berhad has given its consent for the inclusion of its name and statements in the form and context in which they appear in this First Supplemental Prospectus and has not withdrawn such consent.

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