

Date of issuance: 20 April 2022

Product Highlights Sheet

Principal PRS Plus*

- Principal PRS Plus Conservative
- Principal PRS Plus Moderate
- Principal PRS Plus Growth
- Principal RetireEasy Income

**The name "PRS Plus" is the name of the PRS solution by Principal Malaysia. It does not in any way connote or warrant that this Scheme will necessarily outperform other PRS or have additional features that may be lacking in other PRS solutions.*

Responsibility Statement

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

Statements of Disclaimer

The Securities Commission Malaysia ("SC") has approved Principal PRS Plus and authorised Principal PRS Plus Conservative, Principal PRS Plus Moderate, Principal PRS Plus Growth and Principal RetireEasy Income, and a copy of this PHS has been lodged with the SC. The approval and authorisation, as well as the lodgement of this PHS, should not be taken to indicate that the SC recommends Principal PRS Plus or Principal PRS Plus Conservative, Principal PRS Plus Moderate, Principal PRS Plus Growth and Principal RetireEasy Income, or assumes responsibility for the correctness of any statement made or opinion or report expressed in this PHS.

The SC is not liable for any non-disclosure on the part of Principal Malaysia responsible for Principal PRS Plus and Principal PRS Plus Conservative, Principal PRS Plus Moderate, Principal PRS Plus Growth and Principal RetireEasy Income, and takes no responsibility for the contents of this PHS. The SC makes no representation on the accuracy or completeness of this PHS, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

PRS Provider

Principal Malaysia holds a Capital Markets Services Licence for fund management and dealing in securities restricted to unit trust under the Capital Markets and Services Act 2007 and specializes in managing and operating unit trusts for investors, both institutional and retail. Principal Malaysia's responsibilities include managing investment portfolios by providing fund management services to insurance companies, pension funds, unit trust companies, corporations and government institutions in Malaysia. In addition, Principal Malaysia is an approved private retirement scheme provider in Malaysia. Principal Malaysia originally commenced its operations as a unit trust company in November 1995.

This PHS supersedes the PHS dated 22 April 2021.

This PHS only highlights the key features and risks of Principal PRS Plus and Principal PRS Plus Conservative, Principal PRS Plus Moderate, Principal PRS Plus Growth and Principal RetireEasy Income. You are advised to request, read and understand the Third Replacement Disclosure Document dated 20 April 2022 before deciding to invest.

Brief Information on Principal PRS Plus

Principal PRS Plus is an investment Scheme designed to facilitate Members to accumulate savings* for retirement. The Scheme comprises of a range of retirement funds, which Members may choose to invest based on their retirement needs, risk appetite and age profile.

* The Funds are neither capital guaranteed nor capital protected funds

The Scheme consists of the following Funds:

Funds		Fund Category
Core Funds		
Principal PRS Plus Conservative	PRS-C	Core (Conservative)
Principal PRS Plus Moderate	PRS-M	Core (Moderate)
Principal PRS Plus Growth	PRS-G	Core (Growth)
Principal RetireEasy Income	REI	Core (Mixed Asset)
Non-Core Funds		
Principal PRS Plus Equity	PRS-E	Equity
Principal PRS Plus Asia Pacific Ex Japan Equity	PRS-AP	Feeder Fund - Equity

This PHS only provides information on PRS-C, PRS-M, PRS-G and REI.

Product Suitability

Funds	The Funds are suitable for Members who:
PRS-C	<ul style="list-style-type: none"> are risk averse; and/or are seeking capital preservation. <p>Before 30 September 2022# <i>Note: Where the Member is in the Default Option, this Fund is selected for a Member who is 50 years and above.</i> With effect from 30 September 2022# <i>Note: Where the Member is in the Default Option, this Fund is selected for a Member who is 55 years and above.</i></p>
PRS-M	<ul style="list-style-type: none"> are seeking for capital appreciation; are willing to accept some fluctuations in the value of his/her investment; and/or want a diversified portfolio of equities and fixed income instruments that may have some foreign exposure. <p>Before 30 September 2022# <i>Note: Where the Member is in the Default Option, this Fund is selected for a Member who is 40 years and above but has yet reached 50 years.</i> With effect from 30 September 2022# <i>Note: Where the Member is in the Default Option, this Fund is selected for a Member who is 45 years and above but has yet reached 55 years.</i></p>
PRS-G	<ul style="list-style-type: none"> are seeking for capital appreciation; are willing to accept volatility in the value of his/her investment; and/or want a diversified portfolio of equities and fixed income instruments that may have some foreign exposure. <p>Before 30 September 2022# <i>Note: Where the Member is in the Default Option, this Fund is selected for a Member who is below 40 years.</i> With effect from 30 September 2022# <i>Note: Where the Member is in the Default Option, this Fund is selected for a Member who is below 45 years.</i></p>
REI	<ul style="list-style-type: none"> wants a retirement solution that is straightforward and easy to understand; wants a portfolio that invest in multi assets globally; and/or have reached Retirement Age and require a steady stream of income from enrolling in RWP.

#Or such other date as may be permitted by the SC. This information will be communicated to you via our website at www.principal.com.my.

Key Product Features

Principal PRS Plus	
PRS Provider	Principal Asset Management Berhad
Trustee	Deutsche Trustees Malaysia Berhad
Solicitor	Soon Gan Dion & Partners

Principal PRS Plus Conservative	
Fund category	Core (Conservative)
Investment	The Fund seeks to provide members with capital preservation* through investment primarily in fixed

objective	income instruments. <i>*The Fund is neither a capital guaranteed fund nor a capital protected fund.</i>
Benchmark	60% Quant shop MGS Short Index + 20% CIMB Bank 1-Year Fixed Deposit Rate + 20% FTSE Bursa Malaysia Top 100 for performance comparison purpose only.
Investment policy and principal investment strategy	The Fund aims to invest in a diversified portfolio of primarily fixed income instruments with some exposure in equities. The fixed income portion will provide capital stability to the Fund whilst the equity portion will provide the added return in a rising market. The Fund may opt to invest in fixed income instruments, money market instruments and equities either directly or via CIS. At least 80% of the Fund's NAV will be invested in local and/or foreign fixed income instruments and money market instruments, of which a minimum 20% of the Fund's NAV will be invested in money market instruments, all of which have a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC or "BBB" or "A-2" by S&P or equivalent rating by any other international rating agencies. Notwithstanding, the Fund may invest up to 5% of its NAV in unrated fixed income instruments. The investments in equities which include foreign exposure shall not exceed 20% of the Fund's NAV.
Asset allocation	<ul style="list-style-type: none"> ▪ At least 80% of the Fund's NAV will be invested in fixed income instruments and money market instruments, of which a minimum 20% of the Fund's NAV will be invested in money market instruments and up to 5% of the Fund's NAV may be invested in unrated fixed income instruments; ▪ Up to 20% of the Fund's NAV will be invested in equities; and ▪ Up to 5% of the Fund's NAV will be invested in liquid assets for liquidity purpose.
Sub-Adviser	Principal Asset Management (S) Pte. Ltd
Launch date	12 November 2012
Financial year-end	31 January
Distribution policy	The Fund is not expected to pay any distribution. All income earned by you will automatically be reinvested into the Fund.

Principal PRS Plus Moderate	
Fund category	Core (Moderate)
Investment objective	The Fund seeks to provide a moderate level of capital growth over the long-term by investing in a diversified portfolio of equity and fixed income instruments.
Benchmark	60% FTSE Bursa Malaysia Top 100 + 40% Quant shop MGS Short Index for performance comparison purpose only.
Investment policy and principal investment strategy	The Fund will invest in a mix of equities and fixed income instruments to provide a moderate level of capital growth to the Fund. The fixed income portion will provide capital stability to the Fund whilst the equity portion will provide the added return in a rising market. The Fund may opt to invest in fixed income instruments and equities either directly or via CIS. The investments by the Fund in equities which include foreign exposure shall not exceed 60% of the Fund's NAV and investments in local and/or foreign fixed income instruments shall not be less than 40% of its NAV with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC or "BBB" or "A-2" by S&P or equivalent rating by any other international rating agencies. Notwithstanding, the Fund may also invest up to 5% of its NAV in unrated fixed income instruments.
Asset allocation	<ul style="list-style-type: none"> ▪ At least 40% of the Fund's NAV will be invested in fixed income instruments, of which up to 5% of the Fund's NAV may be invested in unrated fixed income instruments; ▪ Up to 60% of the Fund's NAV may be invested in equities; and ▪ Up to 5% of the Fund's NAV may be invested in liquid assets for liquidity purpose.
Sub-Adviser	Principal Asset Management (S) Pte. Ltd
Launch date	12 November 2012
Financial year-end	31 January
Distribution policy	The Fund is not expected to pay any distribution. All income earned by you will automatically be reinvested into the Fund.

Principal PRS Plus Growth	
Fund category	Core (Growth)
Investment objective	The Fund seeks to provide capital growth over the long-term by investing in a portfolio of primarily equities with some exposure in fixed income instruments.
Benchmark	90% FTSE Bursa Malaysia Top 100 + 10% Quant shop MGS Short Index for performance comparison purpose only. <i>*The benchmark composition will be changed to reflect the Fund's revised investment allocation.</i>
Investment policy and principal investment strategy	The Fund will invest in a portfolio of mixed assets, primarily in equities with some exposure in fixed income instruments, to provide capital growth to the Fund. The fixed income portion will provide capital stability to the Fund whilst the equity portion will provide the added return in a rising market. The Fund may opt to invest in fixed income instruments and equities either directly or via CIS.

	The investments by the Fund in equities which include foreign exposure may be up to 90% of the Fund's NAV and investments in local and/or foreign fixed income instruments will be at least 10% of its NAV with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC or "BBB" or "A-2" by S&P or equivalent rating by any other international rating agencies. Notwithstanding, the Fund may also invest up to 10% of its NAV in unrated fixed income instruments.
Asset allocation	<ul style="list-style-type: none"> ▪ At least 10% of the Fund's NAV will be invested in fixed income instruments; ▪ Up to 10% of the Fund's NAV may be invested in unrated fixed income instruments; ▪ Up to 90% of the Fund's NAV may be invested in equities; and ▪ Up to 5% of the Fund's NAV may be invested in liquid assets for liquidity purpose.
Sub-Adviser	Principal Asset Management (S) Pte. Ltd
Launch date	12 November 2012
Financial year-end	31 January
Distribution policy	The Fund is not expected to pay any distribution. All income earned by you will automatically be reinvested into the Fund.

Principal RetireEasy Income	
Fund category	Core (Mixed Asset)
Investment objective	The Fund seeks to provide sustainable total return and to grow the total investment over the long term.
Benchmark	<p>The performance of this Fund cannot be compared directly with any specific publicly available benchmark. However, the Fund has a target return of 4.0% - 5.0% per annum over rolling 5-year. Please note that the Fund's benchmark is for performance comparison purpose only and the risk profile of the Fund is not the same as the risk profile of the benchmark.</p> <p>The target return above were set based on current market environment and asset allocation mix. As the REI is a long-term fund, the return expectation may change accordingly should there be changes in the market environment and asset allocation mix at that point of time. Any changes to the benchmark will be reflected in the PHS, which is available on Principal Malaysia website at www.principal.com.my.</p>
Investment policy and principal investment strategy	<p>The Fund aims to achieve its objective by investing primarily in a diversified portfolio of income generating assets. The Fund will seek exposure from various asset classes which includes but not limited to equities, debt securities, money market instruments and/or Deposits, which can be accessed directly through the market or indirectly via CIS (including ETF and REITs).</p> <p>We have appointed Principal Global Investors, LLC ("PGI") as the Sub-Manager of the Fund. The Sub-Manager specializes in the global multi asset investment strategies and will be responsible for the investment management function of the Fund in accordance with the Fund's objective and within the investment parameters, restrictions, and limits of the Fund. All costs of this appointment will be borne by us to ensure no additional fee is levied on the Members.</p> <p>The Sub-Manager manages the Fund with strategic or long-term asset class targets and target ranges. There is a rebalancing strategy that aligns with the target weights to identify asset classes that are either overweight or underweight. The Fund may shift asset class targets in response to normal evaluative processes or changes in market forces or Fund circumstances. Currently, the Sub-Manager will seek exposure to the various asset classes by investing in CIS (including ETF and REITs) to achieve greater market exposure, diversification and for cost efficiency purposes.</p> <p>At any point in time in the future, the Manager may invest directly into the various asset classes as the Manager deem appropriate and at the Manager's discretion. Where the Fund invest in equities, the Fund may focus on dividend yielding equities of companies, which the Manager believes will offer attractive yields, sustainable dividend payments and/or will exhibit above average growth potential when compared to its industry or the overall market at the point of purchase. Where the Fund invest in debt securities, the debt securities shall have a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC or "BBB-" or "A-2" by S&P or equivalent rating by any other international rating agencies. Notwithstanding, the Fund may also invest up to 40% of its NAV in Unrated Bonds and up to 10% of its NAV in unlisted securities. When deemed necessary, the Fund may also utilize derivative instruments such as futures contracts and currency forwards for hedging purposes, subject to the prevailing GPRS. The Fund may invest all or a substantial portion of its assets in money market instruments and/or Deposit if the Manager foresee an excessive market volatility, expects prolonged declines, or when there are other adverse conditions, such as political instability to safeguard the Fund, and as part of its liquidity and/or risk management.</p>
Asset allocation	<p>Up to 100% of the Fund's NAV may be invested in CIS (including ETF and REITs), equities, debt securities, money market instruments and/or Deposits. Notwithstanding,</p> <ul style="list-style-type: none"> ▪ up to 40% of the Fund's NAV may be invested in Unrated Bonds; and ▪ up to 10% of the Fund's NAV may be invested in unlisted securities.
Sub-Manager	Principal Global Investors, LLC
Launch date	20 April 2022

Financial year-end	31 January
Distribution policy	The Fund is not expected to pay any distribution. All income earned by you will automatically be reinvested into the Fund.

Transaction Information

Fund	Min initial contribution (RM)	Min subsequent contribution (RM)	Regular Savings Plan (RSP)		Min Withdrawal	Min Withdrawal for Regular Withdrawal Plan (RWP)
			Min initial contribution (RM)	Min subsequent contribution (RM)		
PRS-C	Class A : 100 Class C : 100 Class X : N/A	Class A : 50 Class C : 50 Class X : N/A	Class A : 100 Class C : 100 Class X : N/A	Class A : 50 Class C : 50 Class X : N/A	Class A : RM50 or 100 Units Class C : RM50 or 100 Units Class X : RM100 or 200 Units	RWP is not available for these funds.
PRS-M						
PRS-G						
REI						Class A : RM50 Class C : RM50 Class X : RM100

How Does the Scheme Work?

It is basically an alternative savings plan meant for your retirement. With the Scheme, you decide how much, how often and what types of investment. You may choose to contribute RM100 this month and/or decide to add another RM50 two weeks later – it is entirely up to you. You can also pick different Funds for your contributions.

Contribution

All contributions made by or on behalf of you will be split upon each contribution being made and maintained in two (2) separate sub-accounts by us as follows:

- Sub-account A refers to a sub-account maintained for you which holds 70% of all contributions made to any of the Funds.
- Sub-account B refers to a sub-account maintained for you which holds 30% of all contributions made to any of the Funds.

You may contribute to the Scheme by selecting any one or a combination of the Funds. However, if you choose to have us determine the Fund for you, we will allocate your contributions into the Default Option¹ that corresponds to your age as listed in the table below. A Member Statement will be sent to you to notify that you have been allocated to the Default Option.

Before 30 September 2022 ²		With effect from 30 September 2022 ²	
Age	Fund	Age	Fund
50 years and above	PRS-C	55 years and above	PRS-C
40 years and above but have not yet reached 50 years*	PRS-M	45 years and above but have not yet reached 55 years*	PRS-M
Below 40 years*	PRS-G	Below 45 years*	PRS-G
<p><i>*Should you become a Member and have made your first contribution to the Scheme a month before you attain the age of 40 or 50 years old, we will allocate such contribution to the PRS-M or the PRS-C as the case may be.</i></p> <p>Where you are in the Default Option, we will:</p> <ol style="list-style-type: none"> withdraw the Units in the PRS-G and purchase Units in the PRS-M before the end of the next calendar month from the day you attain the age of 40 years old; and withdraw the Units in the PRS-M and purchase Units in the PRS-C before the end of the next calendar month from the day you attain the age of 50 years old. <p>We will notify you one (1) month prior to you attaining the age specified above that your investments in the Fund will be switched in accordance with the rules of the Default Option and GPRS unless you instruct otherwise.</p>		<p><i>*Should you become a Member and have made your first contribution to the Scheme a month before you attain the age of 45 or 55 years old, we will allocate such contribution to the PRS-M or the PRS-C as the case may be.</i></p> <p>Where you are in the Default Option, we will:</p> <ol style="list-style-type: none"> withdraw the Units in the PRS-G and purchase Units in the PRS-M before the end of the next calendar month from the day you attain the age of 45 years old; and withdraw the Units in the PRS-M and purchase Units in the PRS-C before the end of the next calendar month from the day you attain the age of 55 years old. <p>We will notify you one (1) month prior to you attaining the age specified above that your investments in the Fund will be switched in accordance with the rules of the Default Option and GPRS unless you instruct otherwise.</p>	

Note: The age limit above may be subject to changes as may be determined by the relevant authorities from time to time.

Cooling-Off Period

You have six (6) Business Days after your initial contribution (i.e. the date the complete application is received and accepted by us or 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. We must obtain prior authorization of the PPA before proceeding with the refund. We will refund the investment amount including the Sales Charge (if any) to you in RM within ten (10) calendar days of receiving the authorization of the PPA. Please note that this cooling-off right is only given to a first time Member

registered with PPA who is investing with any PRS provider. However, Principal Malaysia's staff, person(s) registered by a body approved by the SC to deal in PRS and contributions made to PRS by an employer on behalf of the employee are not entitled to the cooling-off right.

Permitted Withdrawals and Pre-Retirement Withdrawals

Subject to permitted reasons for withdrawals, you may not make a withdrawal from any of the Funds until you reach the Retirement Age. Upon reaching the Retirement Age, you shall be entitled to withdraw the full amount accumulated in the Funds held by you as Accrued Benefits without payment of any tax penalty. Request for payment for withdrawals from any of the Funds may be made for the following circumstances and as follows:

No	Circumstances for withdrawal	Sub-account	Extend of withdrawals	Subject to tax penalty
(a)	Upon reaching Retirement Age	A & B	Partial or full	No
(b)	Pre-retirement withdrawals	B	Partial or full	Yes
(c)	Death of Member	A & B	Partial or full	No
(d)	Permanent departure of a member from Malaysia	A & B	Full	No
(e)	Due to permanent total disablement, serious disease or mental disability of a member	A & B	Full	No
(f)	For healthcare purpose	B	Partial or full	No
(g)	For housing purpose	B	Partial or full	No

Upon receiving your request to withdraw some or all of the Accrued Benefits in any of the Fund, we and/or PPA may require you to provide evidence of the facts necessary to establish your right to withdraw moneys from any of the Fund. In relation to

- item (c) – for withdrawal following the death of a Member, we must obtain prior authorization from the PPA before issuing instructions to the Trustee to cancel Units.
- item (b), (f) and (g) – withdrawals may be requested by the member once every calendar year from each PRS provider (from one or multiple funds under any scheme(s) managed by that PRS provider) provided that the individual has been a member of that scheme (whether via member contribution or employer contribution) for at least one (1) year.
- item (b) – we will deduct an 8% tax penalty (or such other applicable tax penalty) from the withdrawn amount before making payment to you.
- item (f) – the withdrawal is only permitted for member's ownself or immediate family on certain illnesses. Please refer to our website at www.principal.com.my for the list of illnesses.

Switching

Subject to our absolute discretion, you have the option to switch into any of the Funds under the Scheme or funds under Principal PRS Plus. Switching is limited to once a month only regardless of whether it is switching of funds under the Scheme or switching between funds of different PRS managed by Principal Malaysia and switching is not allowed between different classes.

Note: Muslim Members are encouraged to switch into any other Islamic fund rather than into any other conventional fund as investment in the conventional fund is not permitted from the Shariah perspective.

Transfer between PRS Providers

Prior to reaching the Retirement Age, you are allowed to transfer your accrued benefits of any amount from one (1) or multiple funds under the scheme(s) managed by that PRS provider once every calendar year to another PRS provider provided that:

- you have been a member of the scheme (whether via member contribution or employer contribution) for at least one (1) year; and
- all the accrued benefit to be transferred from a fund must be transferred to one (1) other fund.

The above also applies if you transfer from any funds under schemes of other PRS providers into any Funds under the Scheme. All information required by the PPA is to be provided in the application for the transfer.

Unless the context stated otherwise, all withdrawal and/or transfer transactions are only allowed for Vested Units.

¹ Default Option Members will be placed into one of the Core Funds (except REI) upon the launch of REI until such date as may be determined by us and/or the SC.

² Or such other date as may be permitted by the SC. This information will be communicated to you via our website at www.principal.com.my.

³ For contributions into the PRS and deferred annuities effective from years of assessment 2012 to 2025 and is subject to terms and conditions and/or any amendment/modifications as may be imposed/required by the government or relevant authorities from time to time.

Key Risks

General risks of investing in the funds	
Returns 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 investment 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.
Legal and	The value of the fund may be affected by uncertainties in the legal and regulatory environment. A change in

regulatory risk	law or regulation made by government or regulatory body will materially impact the value of securities, business, sector or even market as a whole. These amendments to the laws and regulations may increase the costs of operating a business and hence reduce the attractiveness of its related investments. For example, if the regulatory body imposes a limit on the amount of margin an investment account is able to have, the impact on the stock market would be material as this change may force the existing investors who are currently breaching the limit to sell off their margined positions. You should also note that laws and guidelines relating to PRS may change and this may affect your PRS account and/or your ability to access your account balance.
Market 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.
Risk associated with Default Option	If you are in the Default Option, your current investments will be automatically switched into another Fund upon attaining the next age group. The NAV per Unit may be lower at the point of switching than the NAV per Unit when you initially contributed into the Fund. Hence, you may have to suffer losses relating to your investment costs upon disposal.
Liquidity risk	Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the fund holds assets that are illiquid, or are difficult to dispose of, the value of the fund will be negatively affected when it has to sell such assets at unfavourable prices.
Inflation risk	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. This risk can be mitigated by investing in securities that can provide a positive real rate of return.
Manager risk	This risk refers to the day-to-day management of the fund by the manager which will impact the performance of the fund. For example, investment decisions undertaken by the manager, as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the deed, relevant 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. Although the occurrence of such events is very unlikely, we seek to reduce this risk by implementing a consistent and structured investment process, systematic operational procedures and processes along with stringent internal controls.

Specific risks of the Funds	PRS-C	PRS-M	PRS-G	REI
<p>Stock specific risk</p> <p>Prices of a particular stock may fluctuate in response to the circumstances affecting individual companies such as adverse financial performance, news of a possible merger or loss of key personnel of a company. Any adverse price movements of such stock will adversely affect the Fund's NAV.</p> <p>The impact is however reduced as the Fund invests in a wide portfolio of investments; thus, spreading the element of risk. Diversification can be achieved by investing in various companies across different industries or sectors that are uncorrelated. In addition, we will undertake an active bottom-up investment approach to ensure that the fundamentals of the stocks invested in are favourable.</p>	√	√	√	√
<p>Credit and default risk</p> <p>The Fund will be exposed to a certain degree of credit and default risk of issuers or counterparties when the Fund invests in Deposits, debt securities, such as bonds, and/or conducts OTC transactions. Credit risk relates to the creditworthiness of the securities issuers or counterparties and their expected ability to make timely payment of profit and/or principal. Any adverse situations faced by the issuer or counterparties may impact the value as well as liquidity of the investments. Default risk relates to the risk that a securities issuer or counterparties either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the investments. This could adversely affect the value of the Fund.</p>	√	√	√	√
<p>Interest rate risk</p> <p>Interest rate risk refers to the impact of interest rate changes on the valuation of fixed income securities and money market instruments. When interest rates rise, fixed income instruments' prices will tend to fall and vice versa. Therefore, the NAV of the Fund may also tend to fall when interest rates rise or are expected to rise. However, you should be aware that should the Fund hold a fixed income instruments until maturity, such price fluctuations would dissipate as it approaches maturity.</p>	√	√	√	√
<p>Country risk</p> <p>Investments of the Fund in any country may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund invests in. For example, the deteriorating economic condition of such countries may adversely affect the value of the investments undertaken by the Fund in those affected countries. This in turn may cause the NAV of the Fund or price of units to fall.</p>	√	√	√	√
<p>Currency risk</p> <p>This risk is associated with investments that are quoted and/or priced in foreign currency denomination. You should be aware that if the RM appreciates against the currencies in which the portfolio of the investment is denominated, this will have an adverse effect on the NAV of the Fund and vice versa. You should note that any gains or losses arising from</p>	√	√	√	√

Specific risks of the Funds	PRS-C	PRS-M	PRS-G	REI
the movement of the foreign currencies against the base currency of the Fund (i.e. MYR) may therefore increase/decrease the capital gains/losses of the investment. The currency gains/losses are in addition to the capital gains/losses of the investment. Nevertheless, you should realise that currency risk is considered as one of the major risks to investments in foreign assets due to the volatile nature of the foreign exchange market.				
Risks associated with investment in warrants/options There are inherent risks associated with investment in warrants/options. The value of warrants/options are influenced by the current market price of the underlying security, the exercise price of the contract, the time to expiration of the contract and the estimate of the future volatility of the underlying security's price over the life of the contract. Generally, the erosion in value of warrants/options accelerates as it approaches its expiry date.	X	√	√	√
Risk associated with investment in CIS Since the Fund may invest into CIS, there is a risk of concentration into CIS, in which the CIS's management company has absolute discretion over the CIS's investment technique and knowledge, operational controls and management. In the event of mismanagement of the CIS and/or the management company, the NAV of the Fund, which invests into those CIS would be affected negatively. Should the situation arise, we will seek for another CIS that is consistent with the objective of the Fund.	√	√	√	√

You should be aware that an investment in a PRS may be exposed to other risks from time to time. If in doubt, please refer to the Replacement Disclosure Document or consult professional advisers for a better understanding of the risks.

Fees & Charges

There are fees and charges involved and you are advised to consider them before contributing to the Scheme.

What will I be charged by the Private Pension Administrator (PPA)?

Applicable to all Funds	Class A	Class C	Class X
PPA account opening fee	RM10	RM10	RM10
PPA annual fee [^]	RM8		
PPA pre-retirement withdrawal fee	RM25 per transaction		
PPA transfer fee (to another PRS provider)	RM25 per transaction		
PPA administration fee [#]	0.04% p.a. of the Fund's NAV		

[^] Not payable for the year the account is opened and on the year where there was no contribution.

[#] The annual PPA administration fee is accrued daily based on the NAV of the Fund and paid monthly.

What will I be charged by Principal Malaysia?

Applicable to all Funds	Class A	Class C	Class X
Sales Charge (% of the NAV per Unit) [#]	3.00%	0.50%	Nil
Redemption Charge	Nil		
Switching Fee	There is no Switching Fee charged for switching of Funds under the Scheme or switching between funds of different PRS managed by Principal Malaysia.		
Transfer Fee (to another PRS provider)	A maximum of RM25 may be charged for each transfer to another PRS provider.		

[#] Despite the maximum Sales Charge disclosed above, you may negotiate with us or our Distributors for lower charges. However, you should note that we or our Distributors may, for any reason at any time, where applicable, accept or reject your request and without having to assign any reason, either generally (for all Members) or specifically (for any particular Member, a group of Members or investments made via any digital platform) and for any period or periods of time without prior notice to you.

What are the key ongoing fees charged to a Fund?

Fund	Management Fee (% p.a. of the Class's NAV)	Trustee Fee
PRS-C	Class A : 1.40% Class C : 1.50% Class X : 1.40%	Up to 0.04% p.a. of the NAV of the Fund (Includes local custodian fees and charges but excludes foreign custodian fees and charges)
PRS-M		
PRS-G		
REI	Class A : 1.20% Class C : 1.30% Class X : 1.20%	Up to 0.04% p.a. of the NAV of the Fund (Includes local custodian fees and charges but excludes foreign custodian fees and charges), subject to minimum fee of RM24,000.00 p.a.

You can also compare the fees and charges of other PRS by visiting the Private PPA's website, www.ppa.my.

<p>The above-mentioned fees and charges payable to us and/or the Funds are subject to:</p> <ol style="list-style-type: none"> 1) any amendments as may be required/imposed by the regulatory authorities such as the SC and the PPA; 2) any discount/rebate/waiver during promotional period that may be determined by us, the Distributors and/or PPA from time to time. For information on the promotions, please contact us, the Distributors and/or PPA; and 3) any applicable taxes and/or duties as may be imposed by the government and/or the relevant authorities from time to time. <p>All the fees and charges above may be increased. A supplementary or replacement disclosure document disclosing the new fees and charges will be issued should the fees and charges be increased. A notice period of ninety (90) days will be given to the Members prior to the effective date of the new fees and charges, which is in accordance with the GPRS.</p>

<p>YOU SHOULD NOT MAKE PAYMENT IN CASH WHEN PURCHASING UNITS OF PRS FUNDS TO A PRS CONSULTANT/EMPLOYEE OF PRINCIPAL MALAYSIA OR ISSUE A CHEQUE IN THE NAME OF A PRS CONSULTANT/EMPLOYEE OF PRINCIPAL MALAYSIA.</p>

Valuations

Funds without foreign investments:

We will value the Fund for a Business Day at the end of that Business Day (T day). The NAV per Unit for a Business Day is available on our website at www.principal.com.my after 10:00 a.m. on the following Business Day (T+1).

Funds with foreign investments:

We will value the Fund for a Business Day on the next Business Day (T+1) by 4:00 p.m. This is to cater for the currency translation of the foreign securities/instruments to the Funds' base currency. Currently, the currency translation is based on the bid exchange rate quoted by Bloomberg/Reuters 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).

Please refer to the "Unit Pricing" section of the Replacement Disclosure Document for more information.

Funds' Performance

Average total return of the Core Funds

FYE: 31 January 2022 in %	1-Year	3-Year	5-Year	10-Year	Since inception
PRS-C					
Class A	1.69	4.31	4.15	-	3.65
Class C	1.60	4.21	4.08	-	3.62
Class X	1.69	4.30	4.15	-	3.65
Benchmark	0.39	2.21	2.47	-	2.68
PRS-M					
Class A	(1.37)	6.76	6.34	-	5.30
Class C	(1.47)	6.66	6.27	-	5.26
Class X	(1.35)	6.76	6.34	-	5.30
Benchmark	(2.32)	(0.52)	0.59	-	1.25
PRS-G					
Class A	(8.04)	5.55	5.38	-	5.01
Class C	(8.15)	5.45	5.31	-	4.98
Class X	(8.04)	5.55	5.38	-	5.02
Benchmark ¹	(4.37)	(1.18)	(1.14)	-	0.72

Annual total return of the Core Funds

FYE: 31 January, in %	2022	2021	2020	2019	2018	2017	2016	2015	2014	Since inception to 2013
PRS-C										
Class A	1.69	5.87	5.41	2.28	5.56	4.09	2.23	3.17	3.60	(0.12)
Class C	1.60	5.77	5.32	2.25	5.56	4.08	2.23	3.17	3.67	(0.14)
Class X	1.69	5.87	5.40	2.28	5.58	4.07	2.23	3.17	3.62	(0.12)
Benchmark	0.39	4.26	1.90	0.29	5.49	3.01	2.19	1.94	4.85	0.35

FYE: 31 January, in %	2022	2021	2020	2019	2018	2017	2016	2015	2014	Since inception to 2013
PRS-M										
Class A	(1.37)	15.63	6.68	(3.18)	15.42	13.34	(4.46)	3.76	7.01	(1.50)
Class C	(1.47)	15.54	6.57	(3.20)	15.42	13.34	(4.46)	3.76	7.03	(1.50)
Class X	(1.35)	15.61	6.68	(3.19)	15.44	13.34	(4.46)	3.74	7.03	(1.50)
Benchmark	(2.32)	4.56	(2.60)	(5.77)	9.85	2.28	(1.69)	0.14	8.19	(0.24)
PRS-G										
Class A	(8.04)	20.26	6.33	(7.81)	19.87	14.65	(5.54)	5.94	7.42	(1.94)
Class C	(8.15)	20.16	6.23	(7.83)	19.87	14.64	(5.54)	5.94	7.40	(1.90)
Class X	(8.04)	20.25	6.32	(7.80)	19.87	14.64	(5.55)	5.94	7.42	(1.90)
Benchmark¹	(4.37)	4.41	(3.78)	(7.25)	10.93	2.07	(2.72)	(0.29)	9.02	(0.38)

¹ With effect from 1 June 2020, the benchmark for PRS-G has been changed to 90% FTSE Bursa Malaysia Top 100 + 10% Quant shop MGS Short Index. The benchmark composition will be changed to reflect the Fund's revised investment allocation.

Note: All performance figures have been extracted from Lipper.

PRS-C: For the 1-year financial year under review, Class A and X gained by 1.69% whilst Class C gained by 1.60%. Meanwhile, the benchmark appreciated by 0.39% over the same period. The outperformance of the Fund relative to its benchmark was driven mainly by the allocation into fixed income funds. The slight variation in the performance between Class A, Class C and Class X, if any, was due to different timing of units created for each of the class.

PRS-M: For the financial year under review, the value of Class A, Class C and Class X declined by 1.37%, 1.47%, and 1.35% respectively. Meanwhile, the benchmark declined by 2.32% over the same reporting period. The outperformance of the Fund relative to its benchmark was driven mainly by the allocation into fixed income. The slight variation in the performance between Class A, Class C and Class X, if any, was due to different timing of units created for each of the class.

PRS-G: For the financial year under review, the Fund recorded a negative total return of 8.04%, 8.15% and 8.04% for the Class A, Class C and Class X respectively. The Fund was impacted by the weaker and volatile stock markets in Asia.

Basis of calculation and assumptions made in calculating the returns

Percentage growth	=	$\frac{\text{NAV on that day} - \text{NAV of previous day}}{\text{NAV of previous day}} * 100$	Average total return	=	$\frac{\text{Total returns of the years under review}}{\text{Number of years under review}}$
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Portfolio Turnover Ratio ("PTR")

FYE: 31 January	2022	2021	2020
PRS-C	0.56	0.71	0.57
PRS-M	0.34	0.38	0.19
PRS-G	0.44	0.61	0.21

PRS-C: The Fund's PTR decreased from 0.71 times to 0.56 times due to slightly lesser trading activities carried out during the financial year under review.

PRS-M: The Fund's PTR decreased from 0.38 times to 0.34 times due to higher average NAV during the financial year under review.

PRS-G: The Fund's PTR fell to 0.44 times from 0.61 times for the financial year under review. The decline reflects the relatively stable market conditions over the past year.

Distribution

FYE: 31 January		2022		2021		2020				
Fund	Distribution (Sen)	Class A	Class C	Class A	Class C	Class A	Class C	Class A	Class C	Class X
PRS-C	Gross distribution per unit	3.59	3.58	3.59	4.05	4.04	4.05	-	-	-
	Net distribution per unit	3.59	3.58	3.59	4.05	4.04	4.05	-	-	-
PRS-M	Gross distribution per unit	2.99	2.98	2.99	3.85	3.84	3.85	-	-	-
	Net distribution per unit	2.99	2.98	2.99	3.85	3.84	3.85	-	-	-
PRS-G	Gross distribution per unit	2.53	2.52	2.53	2.98	2.97	2.98	-	-	-
	Net distribution per unit	2.53	2.52	2.53	2.98	2.97	2.98	-	-	-

PRS-C: The Fund distributed a total net income of RM2.63 million to members for the financial year ended 31 January 2022.

PRS-M: The Fund distributed a total net income of RM2.25 million to members for the financial year ended 31 January 2022.

PRS-G: The Fund distributed a total net income of RM3.05 million to members for the financial year ended 31 January 2022.

All distributions have been reinvested automatically into additional units in the Class at the NAV per unit on the distribution date.

Note: Fund performance is not available for REI as it is a newly launched fund.

PAST PERFORMANCE OF THE FUNDS OR SCHEME IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE.

Contact for Further Information / Complaint

- (i) You may contact our **Customer Care Centre** during business hour at **(03) 7723 7260** for further information or for any dispute resolution. Our Customer Care Centre is available between 8:45 a.m. and 5:45 p.m. (Malaysian time) on Mondays to Fridays (except Kuala Lumpur public holidays) or you can e-mail us at service@principal.com.my.
- (ii) Alternatively, you may also contact:
- (a) If you are dissatisfied with the outcome of the dispute resolution process with us, please refer your dispute to Securities Industry Dispute Resolution Center (SIDREC):
- via phone to : 03-2282 2280
 - via fax to : 03-2282 3855
 - via e-mail to : info@sidrec.com.my
 - via letter to : Securities Industry Dispute Resolution Center (SIDREC)
Unit A-9-1, Level 9, Tower A
Menara UOA Bangsar, No.5, Jalan Bangsar Utama 1, 59000 Kuala Lumpur
- (b) You can also direct your complaint to the SC even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Consumer & Investor Office:
- via phone to the Aduan Hotline at : 03-6204 8999
 - via fax to : 03-6204 8991
 - via e-mail to : aduan@seccom.com.my
 - via online complaint form available at www.sc.com.my
 - via letter to : Consumer & Investor Office
Securities Commission Malaysia
3 Persiaran Bukit Kiara, Bukit Kiara, 50490 Kuala Lumpur
- (c) Federation of Investment Managers Malaysia's Complaints Bureau:
- via phone to : 03-2092 3800
 - via fax to : 03-2093 2700
 - via e-mail to : complaints@fimm.com.my
 - via online complaint form available at www.fimm.com.my
 - via letter to : Legal, Secretarial & Regulatory Affairs
Federation of Investment Managers Malaysia
9-06-1, 6th Floor, Wisma Tune
No. 19, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur

Appendix: Glossary

Accrued Benefits	- The amount of a Member's beneficial interest in the Scheme.
Business Day	A day on which the Bursa Malaysia Securities Berhad is open for trading and banks in Kuala Lumpur and/or Selangor are open for business. Note: We may declare certain Business Days to be a non-Business Day for a Fund, if the Fund's investment in foreign markets (if any) which are closed for business or suspended is at least 50% of the Fund's NAV. This information will be communicated to you via our website at www.principal.com.my . Alternatively, you may contact our Customer Care Centre for more information.
CIS	- Collective investment scheme.
Class A	- Subject to our absolute discretion, Class A is for an individual who has attained the age 18 years as of the date of opening a private pension account. Class A and Class C have different Sales Charge and Management Fee.
Class C	- Subject to our absolute discretion, Class C is for an individual who has attained the age 18 years as of the date of opening a private pension account. Class A and Class C have different Sales Charge and Management Fee.
Class X	- Subject to our absolute discretion, Class X is for Member who participates via his/her employer. Class X has no Sales Charge.
Conditionally Vested Unit	- It means a Unit which accords a Member with entitlement to the Unit that is conditional upon fulfilment of condition(s) stipulated in a Vesting Schedule.

Core Funds	- Principal PRS Plus Conservative, Principal PRS Plus Moderate, Principal PRS Plus Growth and Principal RetireEasy Income.														
Deed	- The principal deed and all supplemental deed in respect of the Scheme made between us and the Trustee, in which the Members agree to be bound by the provisions of the deeds.														
Default Option	- Core Funds that will be selected automatically for a Member who does not specify his or her Fund option upon participating in the Scheme.														
Disclosure Document	- Refers to the Third Replacement Disclosure Document in respect of the Funds and includes any supplemental disclosure document or replacement disclosure document, as the case may be.														
Distributor	- Any relevant persons and bodies appointed by Principal Malaysia from time to time, who are responsible for selling Units of the Scheme, including Principal Distributors and Institutional PRS Advisers.														
Funds	- It refers to the following funds under the Scheme:														
	<table border="1"> <thead> <tr> <th>Fund</th> <th>Abbreviation</th> </tr> </thead> <tbody> <tr> <td>Principal PRS Plus Conservative</td> <td>PRS-C</td> </tr> <tr> <td>Principal PRS Plus Moderate</td> <td>PRS-M</td> </tr> <tr> <td>Principal PRS Plus Growth</td> <td>PRS-G</td> </tr> <tr> <td>Principal RetireEasy Income</td> <td>REI</td> </tr> <tr> <td>Principal PRS Plus Equity</td> <td>PRS-E</td> </tr> <tr> <td>Principal PRS Plus Asia Pacific Ex Japan Equity</td> <td>PRS-AP</td> </tr> </tbody> </table>	Fund	Abbreviation	Principal PRS Plus Conservative	PRS-C	Principal PRS Plus Moderate	PRS-M	Principal PRS Plus Growth	PRS-G	Principal RetireEasy Income	REI	Principal PRS Plus Equity	PRS-E	Principal PRS Plus Asia Pacific Ex Japan Equity	PRS-AP
Fund	Abbreviation														
Principal PRS Plus Conservative	PRS-C														
Principal PRS Plus Moderate	PRS-M														
Principal PRS Plus Growth	PRS-G														
Principal RetireEasy Income	REI														
Principal PRS Plus Equity	PRS-E														
Principal PRS Plus Asia Pacific Ex Japan Equity	PRS-AP														
GPRS	- Guidelines on Private Retirement Schemes issued by the SC.														
Management Fee	- A percentage of the NAV of the Class that is paid to the PRS Provider for managing the portfolio of the Fund.														
MARC	- Malaysian Rating Corporation Berhad.														
Member	- An individual who has a beneficial interest under the Scheme.														
NAV	- Net Asset Value.														
NAV of the Fund	- The NAV of the Fund is the value of all the Fund's assets less the value of all the Fund's liabilities, at the point of valuation. For the purpose of computing the annual Management Fee (if any), annual Trustee Fee (if any) and annual PPA fee (if any), the NAV of the Fund must be inclusive of the Management Fee, Trustee Fee and PPA fee for the relevant day.														
NAV per Unit	- The NAV of the Class divided by the number of Units in circulation for that Class, at the valuation point.														
Non-Core Funds	- Principal PRS Plus Equity and Principal PRS Plus Asia Pacific Ex Japan Equity.														
OTC	- Over-the-counter.														
Principal Malaysia or PRS Provider	- Principal Asset Management Berhad.														
Pre-retirement withdrawal	- It refers to the withdrawals from any of the Funds that occurs prior to a Member reaching the Retirement Age and for the following reasons: <ul style="list-style-type: none"> a) Pre-retirement withdrawal from Sub-account B that would incur a tax penalty; b) Death of Member; c) Permanent departure of a member from Malaysia; d) Due to permanent total disablement, serious disease or mental disability of a Member; e) For healthcare purpose; f) For housing purpose; and g) Such other permitted purpose as may be determined by the relevant authority from time to time. 														
PPA	- Refers to Private Pension Administrator; the PRS administrator who is approved under section 139C of Capital Markets and Services Act 2007 to perform the function of record keeping, administration and customer service for Members and contributors in relation to contributions made in respect of a PRS and such other duties and functions as may be specified by the SC.														
PHS	- Refers to Product Highlights Sheet; the document issued by the PRS Provider that contains clear and concise information of the salient features of the Funds.														
PRS	- Private Retirement Scheme.														
RAM	- RAM Rating Services Berhad.														
Redemption Charge	- A charge levied upon redemption of Units from the Fund under certain terms and conditions (if applicable).														
Retirement Age	- It means the age of 55 years or any other age may be specified by the SC.														
RM	- Ringgit Malaysia.														
RWP	- Refers to Regular Withdrawal Plan. Where available, RWP allows Member to set up standing instructions for customised withdrawals at a future dates and pre-determined intervals.														
Sales Charge	- Preliminary charge on each investment made into the Fund.														
SC	- Securities Commission Malaysia.														

Scheme	- Principal PRS Plus*. *The name “PRS Plus” is the name of the PRS solution by the PRS Provider. It does not in any way connote or warrant that this Scheme will necessarily outperform other PRS or have additional features that may be lacking in other PRS solutions.
Scheme Trustee or Trustee	- Deutsche Trustees Malaysia Berhad.
S&P	- Standard & Poor’s.
Sub-Adviser	- A fund management company/ asset management company that provides investment research and stock recommendation to Principal Malaysia.
Sub-Manager	- A fund management company/asset management company that assumes all/or part of the investment function role of Principal Malaysia.
Switching Fee	- A charge that may be levied when switching is done from the Fund to any of the Funds under the Scheme or funds under other schemes managed by the PRS Provider.
Transfer Fee (to another PRS provider)	- A nominal fee levied for each transfer of Accrued Benefits from the PRS Provider to another PRS provider.
Trustee Fee	- A fee that is paid to the Trustee for its services rendered as Trustee of the Scheme.
Unit	- It means in relation to a Class or Fund, an undivided proportionate share in the beneficial interest in that Class or Fund as provided by the Deed and in relation to the Scheme, an undivided proportionate share in the beneficial interest in any of the Funds under the Scheme and shall include both Vested Unit and Conditionally Vested Unit.
Unrated Bond	- Refers to Bonds which are not rated by any rating agencies. Note: <i>In this context, Unrated Bonds are not junk Bond. The Funds will only invest in Unrated Bonds that fulfils the selection criteria of our credit evaluation process.</i>
Vested Unit	- It means a Unit which accords a Member with unconditional entitlement to such Unit.
Vesting Schedule	- Refers to the schedule that determines the entitlement of an employee’s accrued benefits based on terms of service.

Note: *Unless the context otherwise requires,*

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

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