

SECOND SUPPLEMENTAL INFORMATION MEMORANDUM FOR PRINCIPAL CORPORATE DEPOSIT FUND 1

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

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

This Second Supplemental Information Memorandum is dated 26 February 2024 and is to be read in conjunction with the Information Memorandum Issue No. 3 dated 19 December 2019 and the First Supplemental Information Memorandum dated 5 September 2023 for the Principal Corporate Deposit Fund 1 ("Information Memorandum").

The Fund was constituted on 10 July 2015.

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

The lodgement of this Second 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 Second 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 Second Supplemental Information Memorandum. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Second 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 FUND WILL BE ERODED WHEN THE FUND DECLARES DISTRIBUTION OUT OF CAPITAL AS THE DISTRIBUTION IS ACHIEVED BY FORGOING THE POTENTIAL FOR FUTURE CAPITAL GROWTH AND THIS CYCLE MAY CONTINUE UNTIL ALL CAPITAL IS DEPLETED.

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

1.0. GENERAL

- 1.1. This Second Supplemental Information Memorandum is issued to reflect the amendments made to the Information Memorandum as stated under paragraphs 2, 3, 4, 5, 6 and 7 below.
- 1.2. All terms used in this Second 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.

2.0. ABOUT THIS DOCUMENT

- 2.1. The following paragraphs have been inserted under the section of “**About This Document**” at page i:

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

The lodgement of this 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 Information Memorandum.

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 Information Memorandum. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Information Memorandum, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

3.0. DEFINITIONS

- 3.1. The definition of “Sophisticated Investor(s)” under the section of “Definitions” at page 2 of the first supplemental information memorandum 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. TRANSACTION INFORMATION

- 4.1. The textbox under the section of “**How to invest?**” at page 7 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.

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- 4.2. The information under the section of “**Distribution Payment**” at pages 8 to 9 has been replaced and read as below:

The Fund aims to pay distribution on a monthly basis, depending on the level of income (if any) the Fund generates and at our discretion. The payment of distributions, if any, from the Fund will vary from period to period depending on market conditions, the cash position and the performance of the Fund. All units held at the end of the calendar month will be entitled to such distribution, if any. The distribution amount you will receive is calculated by multiplying the total number of units held by you in the Fund with the distribution amount in cent per unit. On the distribution date, the NAV per unit will adjust accordingly.

You can choose to receive the entire distribution amount by giving us your written instructions at the time of application or at anytime of the investment. If no instruction is made, all distributions will be automatically reinvested into additional units in the Fund at the NAV per unit of the Fund on the distribution date (the number of units is rounded using the normal rounding policy to two (2) decimal places). No Application Fee is payable for the reinvestment.

If units are issued as a result of the reinvestment of a distribution or other circumstance after you have withdrawn your investment from the Fund, those additional units will then be automatically withdrawn by us if the number of units are below the minimum balance and the proceeds will be paid to you. Distribution payments will be made in MYR.

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 Fund 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 Fund that provide distribution, we have the right to make provisions for reserves in respect of distribution of the Fund. 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.*

5.0. ADDITIONAL INFORMATION

- 5.1. The information under the section of “**Termination of Fund**” at page 10 has been replaced and read as below:

Subject to the provision set out below, the Fund 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’s 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, as the case may be.

The Fund may be terminated by Unit holders if a Special Resolution is passed at a Unit holders’ meeting to terminate or wind-up the Fund.

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6.0. THE MANAGER

- 6.1. The information under the section of “**The Manager**” at page 18 has been replaced and read as below:

5.1. 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.

5.1.1 Designated Person Responsible for Fund Management Function

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

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

7.0. THE MANAGER

- 7.1. The third paragraph under the section of “Trustee’s Delegate” at page 5 of the First Supplement Information Memorandum has been replaced and read as below:

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.

The remainder of this page has been left blank intentionally