

SECOND SUPPLEMENTAL PROSPECTUS FOR PRINCIPAL GLOBAL DYNAMIC INNOVATION FUND

(formerly known as Principal Global Millennial Equity Fund)

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

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

This Second Supplemental Prospectus is dated 18 November 2024 and is to be read in conjunction with the Prospectus Issue No. 3 dated 28 February 2023 as amended by the First Supplemental Prospectus dated 25 September 2024 for the Principal Global Dynamic Innovation Fund *(formerly known as Principal Global Millennial Equity Fund)* (“Prospectus”).

This Fund was constituted on 31 May 2018.

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

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE “RISK FACTORS” COMMENCING ON PAGE 5 OF THE PROSPECTUS.

THIS FUND IS A MULTI-CLASS FUND AND IS ALLOWED TO ESTABLISH NEW CLASS(ES) FROM TIME TO TIME AS MAY BE DETERMINED BY THE MANAGER.

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RESPONSIBILITY STATEMENTS

This Second Supplemental Prospectus has been reviewed and approved by the directors of 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 Second Supplemental Prospectus false or misleading.

STATEMENTS OF DISCLAIMER

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

The authorisation of the Fund, and registration of this Second 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 Second 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 Second Supplemental Prospectus. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Second 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 Second 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 Second Supplemental Prospectus or the conduct of any other person in relation to the Fund.

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1.0. GENERAL

- 1.1. This Second 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, 9, 10 and 11 below.
- 1.2. All terms used in this Second 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. Save and except for paragraphs 1.4, 2.1, 3.1, 4.1, 5.1, 7.1, 8.1, 9.1, 10.1 and 11.1, all information provided herein is practicable as at 31 August 2024 and shall remain current and relevant as at such date. The amendments as set out in paragraphs 1.4, 2.1, 3.1, 4.1, 5.1, 7.1, 8.1, 9.1, 10.1 and 11.1 will take effect on the date of this Second Supplemental Prospectus.
- 1.4. All references to Deutsche Trustees Malaysia Berhad (200701005591 (763590-H)) in the Prospectus shall be replaced by HSBC (Malaysia) Trustee Berhad (193701000084 (1281-T)).

2.0. DEFINITIONS

- 2.1. The following definition will be inserted under the section of “**Definitions**” at page ii:

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:

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
E-mail : 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 8 will be replaced and read as below:

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 up to 0.045% per annum of the NAV of the Fund.

Below is an illustration on how the Trustee Fee is calculated, assuming the NAV of the Fund is USD 150 million:-

Trustee Fee for the day	=	NAV of the Fund x annual Trustee Fee rate for the Fund (%) / 365 days
	=	USD 150 million x 0.045% / 365 days
	=	USD 184.93

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

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5.0. TRANSACTION INFORMATION

5.1. The illustration on computation of the NAV of the Fund at pages 11 and 12 will be replaced and read as below:

MCR is the apportionment of the NAV of each Class over the Fund's NAV based on the size of each Class. The MCR is calculated by dividing the NAV (in USD) of the respective Class by the NAV of the Fund before income and expenses for the day. The apportionment is expressed as a ratio and calculated as a percentage.

Below is an illustration on computation of the NAV of the Fund:

	Fund (USD)	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in MYR) (USD)
NAV of the Fund before income and expenses	185,942,897.00	173,342,897.00	12,600,000.00
% MCR	100.00%	⁽¹⁾ 93.22%	⁽¹⁾ 6.78%
Add: Income	30,000.00	⁽²⁾ 27,967.12	⁽²⁾ 2,032.88
Less: Expenses	(10,000.00)	⁽²⁾ (9,322.37)	⁽²⁾ (677.63)
Benefits or costs of hedging (if any)	900.00	-	900.00
NAV of the Fund before Management Fee and Trustee Fee	185,963,797.00	173,361,541.75	12,602,255.25
	-	1.80% p.a.	1.80% p.a.
Less: Management Fee	(9,170.82)	(8,549.34)	(621.48)
	0.045%		
Less: Trustee Fee	(229.27)	(213.73)	(15.54)
NAV of the Fund	185,954,396.91	173,352,778.68	12,601,618.23
Units in circulation (units)	200,000,000	170,000,000	30,000,000
NAV per Unit		1.0197	0.4200
Currency exchange rate		N/A	(USD/MYR) 0.3000
NAV per Unit		USD 1.0197	MYR 1.4000

	Fund (USD)	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in MYR) (USD)
NAV of the Fund before creation of units for the day	185,954,396.91	173,352,778.68	12,601,618.23
⁽³⁾ Net subscription amount	1,300,000.00	1,000,000.00	300,000.00
Closing NAV	187,254,396.91	174,352,778.68	12,901,618.23
Units in circulation (units)	201,694,966.30	170,980,680.59	30,714,285.71
NAV per unit		1.0197	0.4200
Currency exchange rate		N/A	(USD/MYR) 0.3000
NAV per unit		USD 1.0197	MYR 1.4000

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Note:

⁽¹⁾ MCR computation

	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in MYR) (USD)
NAV of the Class x 100	<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:

	(USD)	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in MYR) (USD)
Add: Income	30,000.00	MCR x Income = Income for Class ABC = 93.22% x USD 30,000.00 = USD 27,967.12	MCR x Income = Income for Class XYZ = 6.78% x USD 30,000.00 = USD 2,032.88
Less: Expenses	(10,000.00)	MCR x Expenses = Expenses for Class ABC = 93.22% x USD 10,000.00 = USD 9,322.37	MCR x Expenses = Expenses for Class XYZ = 6.78% x USD 10,000.00 = USD 677.63

⁽³⁾ Net subscription amount

	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in MYR) (USD)
Net subscription amount*	USD 1,000,000.00	MYR 1,000,000.00
NAV per unit	USD 1.0197	MYR 1.4000
Number of units	980,680.59 units	714,285.71 units
Currency exchange rate	N/A	(USD/MYR) 0.3000
Net subscription amount*	USD 1,000,000.00	USD 300,000.00

* Subscription amount net of any withdrawal amount

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

6.0. ADDITIONAL INFORMATION

6.1. The information under the section of “**Potential Conflicts of Interests and Related Party Transactions**” at page 19 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.

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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 length.

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 Trustee

As the trustee and service provider for the Fund, there may be related party transactions involving or in connection with the Fund in the following events:

- (1) where the Fund invests in instrument(s) offered by the related party of the Trustee (e.g. placement of monies, structured products, CIS, 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 (i.e. Trustee's delegate); and
- (4) where the Fund obtains financing as permitted under the SC's guidelines, from the related party of the Trustee.

The Trustee has in place policies and procedures to deal with any conflict of interest situation. The Trustee will not make improper use of its position as the owner of the Fund's assets to gain, directly or indirectly, any advantage or cause detriment to the interests of Unit holders. Any related party transaction is to be made on terms which are best available to the Fund and which are not less favourable to the Fund than an arm's length transaction between independent parties.

Subject to the above and 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 TRUSTEE

- 7.1. The information under the section of "**The Trustee**" at page 23 will be replaced and read as below:

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. 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 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.

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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 in any circumstances.

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 MYR

8.1. The information under the section of "**Trustee Fee**" at page 38 has been replaced and read as below:

Trustee Fee	Up to 0.045% per annum of the NAV of the Fund (including local custodian fee but excluding foreign sub-custodian fees and charges). The foreign sub-custodian fees and charges is dependent on the country invested and is charged monthly in arrears.	8
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9.0. ANNEXURE – CLASS MYR-HEDGED

9.1. The information under the section of "**Trustee Fee**" at page 41 has been replaced and read as below:

Trustee Fee	Up to 0.045% per annum of the NAV of the Fund (including local custodian fee but excluding foreign sub-custodian fees and charges). The foreign sub-custodian fees and charges is dependent on the country invested and is charged monthly in arrears.	8
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10.0. ANNEXURE – CLASS SGD-HEDGED

10.1. The information under the section of “Trustee Fee” at page 44 has been replaced and read as below:

Trustee Fee	Up to 0.045% per annum of the NAV of the Fund (including local custodian fee but excluding foreign sub-custodian fees and charges). The foreign sub-custodian fees and charges is dependent on the country invested and is charged monthly in arrears.	8
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11.0. ANNEXURE – CLASS USD

11.1. The information under the section of “Trustee Fee” at page 47 has been replaced and read as below:

Trustee Fee	Up to 0.045% per annum of the NAV of the Fund (including local custodian fee but excluding foreign sub-custodian fees and charges). The foreign sub-custodian fees and charges is dependent on the country invested and is charged monthly in arrears.	8
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12.0. CONSENT

12.1. 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 Second Supplemental Prospectus and has not withdrawn such consent.