

Information Memorandum

31 December 2019

Principal Global Preferred Securities Fund

(formerly known as CIMB-Principal Preferred Securities Fund)

Manager : **Principal Asset Management Berhad** (304078-K)
(formerly known as CIMB-Principal Asset Management Berhad)

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

THIS IS A REPLACEMENT INFORMATION MEMORANDUM. THIS INFORMATION MEMORANDUM IS ISSUED TO REPLACE AND/OR SUPERSEDE THE INFORMATION MEMORANDUM OF THE CIMB-PRINCIPAL PREFERRED SECURITIES FUND DATED 11 JANUARY 2017 AND THE FIRST SUPPLEMENTAL INFORMATION MEMORANDUM DATED 14 DECEMBER 2018.

This Information Memorandum Issue No. 2 for the Principal Global Preferred Securities Fund is dated 31 December 2019.

The Fund was constituted on 21 November 2016.

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

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.

ABOUT THIS DOCUMENT

This is an information memorandum which introduces you to Principal Asset Management Berhad (*formerly known as CIMB-Principal Asset Management Berhad*) (“Principal Malaysia”) and the Principal Global Preferred Securities Fund (“Fund”), which is a wholesale fund. This Information Memorandum outlines in general the information you need to know about the Fund and is intended for the exclusive use by prospective Sophisticated Investors (as defined herein) who should ensure that all information contained herein remains confidential. The Fund is established with a multi-class structure and has more than one (1) class.

This Information Memorandum is strictly private and confidential and solely for your own use. It is not to be circulated to any third party. No offer or invitation to purchase the units of the Fund, the subject of this Information Memorandum, may be made to anyone who is not a Sophisticated Investor.

If you have any questions about the Fund, please contact our Customer Care Centre at (03) 7718 3000 between 8:45 a.m. and 5:45 p.m. (Malaysian time) on Mondays to Thursdays and between 8:45 a.m. and 4:45 p.m. (Malaysian time) on Fridays (except on Selangor public holidays).

Unless otherwise indicated, any reference in this Information Memorandum to any rules, regulations, guidelines, standards, directives, notices, legislation or statutes shall be reference to those rules, regulations, guidelines, standards, directives, notices, legislation, statutes for the time being in force, as may be amended, varied, modified, updated, superseded and/or re-enacted from time to time.

Any reference to a time, day or date in this Information Memorandum shall be a reference to that time, day or date in Malaysia, unless otherwise stated. Reference to “days” in this Information Memorandum will be taken to mean calendar days unless otherwise stated.

As the base currency of the Fund is USD, please note that all references to currency amounts and NAV per unit in the Information Memorandum are in USD unless otherwise indicated.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IF YOU ARE IN DOUBT, PLEASE CONSULT YOUR PROFESSIONAL ADVISERS IMMEDIATELY.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Information Memorandum:

- AIF - Means an alternative investment fund which is not a UCITS.
- Application Fee - Preliminary charge on each investment.
- Business Day - Mondays to Fridays when Bursa Malaysia Securities Berhad is open for trading, and/or banks in Kuala Lumpur and/or Selangor are open for business. In respect of the Target Fund, it means any day on which banks are open for business in Ireland other than Saturday or Sunday.
Note: We may declare certain Business Days to be a non-Business Day if the jurisdiction of the Target Fund declares a non-business day and/or if the Target Fund's manager declares a non-dealing day. This information will be communicated to you via our website at <http://www.principal.com.my>.
- CIMB Group - CIMB Group Sdn. Bhd.
- CIS - Means collective investment schemes.
- Class - Any Class of units representing similar interests in the assets of the Fund.
Note: For more information, please see page 1 and Annexure of the respective Class.
- Class MYR - The Class of units issued by the Fund denominated in MYR.
- Class USD - The Class of units issued by the Fund denominated in USD.
- Class MYR-Hedged - The Class of units issued by the Fund denominated in MYR that aims to minimize the effect of exchange rate fluctuations between the base currency of the Fund and MYR.
- CMSA - Capital Markets and Services Act 2007.
- CoCos - Refers to contingent convertible securities.
- Deed - The principal and any supplemental deed in respect of the Fund made between us and the Trustee, in which Unit holders agree to be bound by the provisions of the Deed.
- Deposit - As per the definition of “deposit” in the Financial Services Act 2013 and “Islamic deposit” in the Islamic Financial Services Act 2013.
Note: To exclude structured deposits.
- Distributors - Any relevant persons appointed by Principal Malaysia from time to time, who are responsible for selling the units of the Fund including Principal Distributors and IUTAs.
- EEA - European Economic Area.
- Forward Contract(s) - An agreement to buy or sell its underlying instrument or asset at a specific time in the future at a given price. Forward Contracts are private agreements between two parties and the terms and conditions can be customized.
- Fund - Principal Global Preferred Securities Fund (*formerly known as CIMB-Principal Preferred Securities Fund*).
- I Class Income USD - Refers to “I Class Income USD” share class of the Target Fund; a share class denominated in USD with income distribution.
- IMS - Investment Management Standards issued by the Federation of Investment Managers Malaysia.
- Information Memorandum - Refers to this information memorandum in respect of the Principal Global Preferred Securities Fund and includes any supplemental information memorandum(s) or replacement information memorandum(s), as the case may be.
- IUTAs - Institutional Unit Trust Scheme Advisers.
- Latest Practicable Date or LPD - 31 October 2019, in which all information provided herein, shall remain current and relevant as at such a date.
- Management Fee - A percentage of the NAV of the Class that is paid to the Manager for managing the portfolio of the Fund.
- MCR - Multi-class ratio, being 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, save and except any benefits or costs of hedging (if any) and/or charges for a Class shall be allocated to that Class only. The apportionment is expressed as a ratio and calculated as a percentage.
- Member State - Any member state of the European Union.
- 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) and annual Trustee Fee (if any), the NAV of the Fund should be inclusive of the Management Fee and Trustee Fee for the relevant day. The NAV of a Class is the NAV of the Fund attributable to a Class at the same valuation point.
- NAV per Unit - The NAV of the Fund divided by the number of units in circulation, at the valuation point.
- Notices - The notices and guidance notes issued by the Central Bank of Ireland from time to time pursuant

	to the Regulations affecting the unit trust or any fund.
OTC	- Over-the-counter.
PIA	- Principal International (Asia) Ltd.
PFG	- Principal Financial Group and its affiliates.
Principal Distributors	- Refers to the unit trust scheme consultants of Principal Malaysia (authorised Principal Malaysia distributors).
Principal Malaysia or the Manager	- Principal Asset Management Berhad (<i>formerly known as CIMB-Principal Asset Management Berhad</i>).
Regulations	- The European Communities (undertakings for collective investment in transferable securities) Regulations, 2011 (S.I. No. 352) as may be amended, supplemented or consolidated from time to time, and includes any conditions that may be imposed by the Central Bank of Ireland from time to time whether by notice or otherwise affecting the Unit Trust.
RM or MYR	- Malaysian Ringgit.
SC	- Securities Commission Malaysia.
SC Guidelines	- SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.
Sophisticated Investor	- Refers to investors as we determine as qualified or eligible to invest in the Fund and that fulfil any laws, rules, regulation, 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 falls within any of the categories of investors set out in Part 1, Schedule 6 and 7 of the CMSA. <i>Note: For more information, please refer to our website at http://www.principal.com.my for the current excerpts of Part 1, Schedules 6 and 7 of the CMSA.</i>
Special Resolution	- A resolution passed by a majority of not less than 3/4 of Unit holders voting at a meeting of Unit holders. For the purpose of terminating or winding up the Fund or a Class, a Special Resolution is passed by a majority in number representing at least 3/4 of the value of the units held by Unit holders voting at the meeting.
Switching Fee	- A charge that may be levied when switching is done from one fund or class to another.
Target Fund	- Principal Global Investors Fund - Preferred Securities Fund
Transfer Fee	- A nominal fee levied for each transfer of units from one Unit holder to another.
Trust Deed	- A trust deed dated November 2019 made between Principal Global Investors (Ireland) Limited and BNY Mellon Trust Company (Ireland) Limited for the Principal Investors Fund – Preferred Securities Fund.
Trustee or HSBCT	- HSBC (Malaysia) Trustee Berhad.
Trustee Fee	- A percentage of the NAV of the Fund that is paid to the Trustee for its services rendered as trustee for the Fund.
UCITS	- An undertaking for collective investment in transferable securities pursuant to the UCITS Directive.
UCITS Directive	- Refers to the European Communities (undertakings for collective investment in transferable securities) Council Directive No.65 of 2009 as amended, supplemented or replaced from time to time.
UK	- United Kingdom.
Unit holder	- The registered holder for the time being of a unit of any Class including persons jointly so registered.
Unit Trust	- Principal Global Investors Funds.
USA or US	- United States of America.
USD	- United States Dollar.
Wholesale Fund	- A unit trust scheme established in Malaysia where the units are to be issued, offered for subscription or purchase, or for which invitations to subscribe for or purchase the units are to be made, exclusively to Sophisticated Investor.
Withdrawal Fee	- A charge levied upon redemption under certain terms and conditions (if applicable).

Note: Unless the context otherwise requires, words importing the singular number should include the plural number and vice versa.

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1. FUND INFORMATION

1.1. PRINCIPAL GLOBAL PREFERRED SECURITIES FUND

Fund Category/Type	: Wholesale Fund (Feeder Fund) / Income.
Investment Objective	: The Fund aims to achieve income and capital appreciation primarily through investment in preferred securities. <i>We will require your approval if there is any material change to the Fund's investment objective.</i>
Benchmark	: The Fund adheres to the benchmark of the Target Fund for performance comparison. The Target Fund is managed without reference to a particular benchmark. However, the performance comparator index of the Target Fund for performance comparison purpose only may be found on the monthly fund fact sheet of the Target Fund available on the www.principalglobal.com website. Alternatively, kindly refer to the product highlights sheet for the current performance comparator index of the Target Fund.
Distribution Policy	: The distribution policy of each of the Class may differ. Please refer to the Annexure of the respective Class for more information. You may also refer to page 23 for information on the distribution payment.

Base Currency and Classes

The base currency of the Fund is USD.

Please note that the Fund is established with a multi-class structure where the Deed allows for the establishment of more than one (1) Class with similar interests in the assets of the Fund. You should note that the Fund is allowed to establish new Class(es) from time to time without your prior consent.

Under the Deed, Unit holders of each Class have materially the same rights and obligations. Each Class may be different in terms of currency denomination, fees and charges, and hence, will have its respective NAV per unit, denominated in its respective currency taking into account the aforementioned features. Although the Fund has multiple Classes, Unit holders should note that the assets of the Fund are pooled for investment purpose.

Currently, the Classes below are available for sale. Please refer to the Annexure for further details on the Classes. You should note that we have the discretion to decide on the offering of other classes for sale in the future. This information will be communicated to you via our website at <http://www.principal.com.my>. When in doubt, you should consult professional advisers for better understanding of the multi-class structure before investing in the Fund.

Launch Date, Initial Offer Period & Initial Offer Price Per Unit

Name of Class	Launch date	Initial offer period	Initial offer price per unit
Class USD	11 January 2017	N/A	USD 1.0000
Class MYR	11 January 2017	N/A	MYR 1.0000
Class MYR-Hedged	30 March 2017	N/A	MYR 1.0000

For more details, you may contact our Customer Care Centre or Distributors, or visit our website at <http://www.principal.com.my>.

Investment Policy and Principal Investment Strategy

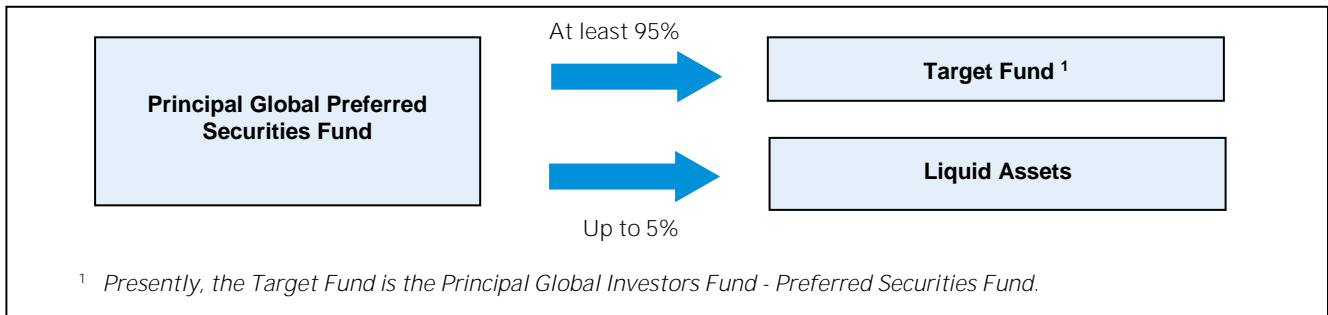
The Fund is a feeder fund and it invests in a single CIS, i.e. the Target Fund. The Manager will monitor the investment objective of the Target Fund to ensure that it is in line with the investment objective of the Fund.

In order to achieve its investment objective, the Fund will invest at least 95% of its NAV in the Target Fund; a UCITS domiciled in Ireland and established on 22 April 2003. The Fund will invest in Class I Income USD of the Target Fund, which is a share class denominated in USD with income distribution established on 15 January 2013. The Fund will also maintain up to 5% of its NAV in Liquid Assets.

Information on the Target Fund

Target Fund Manager	: Principal Global Investors (Ireland) Limited
Investment Adviser	: Principal Global Investors, LLC
Sub Investment Adviser	: Spectrum Asset Management, Inc
Regulatory authority	: Central Bank of Ireland

Principal Global Investors Fund – Preferred Securities Fund is a Dublin based UCITS that invest primarily in a portfolio of USD denominated preferred securities and debt securities.



Asset Allocation

- At least 95% of the Fund's NAV will be invested in the Target Fund; and
- Up to 5% of the Fund's NAV will be invested in liquid assets for liquidity purposes.

The Fund is a feeder fund that invests at least 95% of its NAV into the Target Fund. Hence, the Target Fund manager will employ a risk management process which combines financial techniques and instruments to manage at any time the risk of various positions and their contribution to the overall risk of the Target Fund's portfolio.

We do not intend to take temporary defensive position for the Fund during adverse market, economic and/or any other conditions. This is to allow the Fund to mirror the performance of the Target Fund in either bullish or bearish market condition. However, the Target Fund manager may implement defensive strategies subject to their view on markets and strategy.

We may replace the Target Fund with another CIS that is in line with the Fund's objective, if, in our view the Target Fund no longer meets the Fund's investment objective. However, this is subject to your approval. We will redeem our investment in the Target Fund and invest in another CIS on a staggered basis for a smooth transition. This is applicable if the Target Fund imposes any conditions in relation to redemption of units or if the manager of the newly identified target fund exercises its discretion to apply anti-dilution levy in relation to the applications for units. Thus, the time frame required to perform the transition will depend on such conditions, if any, imposed by the Target Fund as well as any conditions associated with anti-dilution levy that may be made by the newly identified target fund. Hence during the transition period, the Fund's investments may differ from the stipulated investment objective, investment strategies and/or investment restrictions and limits.

Note:

Anti-dilution levy is an allowance for fiscal and other charges that is added to the net asset value per unit of the relevant class to reflect the costs of investing application monies in underlying assets of the Target Fund. The levy is intended to be used to ensure that all investors in the Target Fund are treated equitably by allocating transaction costs to the investors whose transactions give rise to those costs.

1.2. PERMITTED INVESTMENTS

Subject to the Deed, the investment policy for the Fund and the requirements of the SC and any other regulatory body, we have the absolute discretion as to how the assets of the Fund are to be invested. The following types of investments permitted for the Fund, which are in line with the Fund's objective, include but are not limited to:

- One CIS;
- Liquid assets such as Deposits and money market instruments;
- derivative instruments, including but not limited to options, futures contracts, Forward Contracts and swaps for hedging purposes; and
- any other form of investments as may be determined by the us from time to time that is in line with the Fund's objective.

1.3. INVESTMENT RESTRICTIONS AND LIMITS

The Fund is subject to the following investment restrictions and limits:

CIS: The Fund must invest in one (1) CIS.

Liquid assets: The Fund may invest up to 5% of the NAV of the Fund in Liquid assets. The Fund may, with the concurrence of the Trustee, hold more than 5% of liquid assets on a temporary basis to meet redemption requests and to manage expenses of the Fund.

1.4. APPROVAL AND CONDITION

There is no exemption and/or variation to the SC Guidelines for the Fund.

1.5. BORROWINGS OR FINANCING

The Fund may not borrow cash or obtain cash financing or other assets in connection with its activities. However, the Fund may borrow cash or obtain cash financing for the purpose of meeting withdrawal requests for units and for short-term bridging requirements.

1.6. SECURITIES LENDING

Not applicable for the Fund.

1.7. RISK FACTORS

1.7.1. GENERAL RISKS OF INVESTING IN A CIS

Before investing, you should consider the following risk factors and the other information set out in this Information Memorandum.

Returns not guaranteed

The investment of the fund is subject to market fluctuations and its inherent risk. There is NO GUARANTEE on the investment returns, nor any assurance that the fund's investment objective will be achieved.

Market risk

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.

Inflation risk

This is the risk that your investment in the wholesale 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.

Loan financing risk

This risk occurs when you take a loan/financing to finance your investment. The inherent risk of investing with borrowed money includes you being unable to service the loan repayments. In the event units are used as collateral, you may be required to top-up your existing instalment if the prices of units fall below a certain level due to market conditions. Failing which, the units may be sold at a lower NAV per unit as compared to the NAV per unit at the point of purchase towards settling the loan.

1.7.2. SPECIFIC RISK RELATED TO THE FUND

Currency risk

You should be aware that currency risk is applicable to Class(es) (e.g. Class MYR) which is in a different currency than the base currency of the Fund (i.e. USD). The impact of the exchange rate movement between the base currency of the Fund and the currency denomination of the respective Class(es) may result in a depreciation of the value of your holdings as expressed in the currency denomination of the Class(es).

As for a hedged Class, the Class itself provides mitigation to the currency risk arising from the difference between the currency denomination of the Class and the base currency of the Fund. While we aim to fully hedge the currency risk for a hedged Class, you should note that it may not entirely eliminate currency risk. In addition, you should note that, as a result of hedging, a hedged Class will not be able to enjoy the full benefits of the currency movement in the event of a favourable movement of the currency denomination of the hedged Class against the base currency of the Fund. You should also note that hedging incurs costs, in which will impact the NAV of a hedged Class.

Manager risk

Since the Fund invests into a CIS managed by another manager, the Target Fund's manager has absolute discretion over the Target Fund's investment technique and knowledge, operational controls and management. In the event of mismanagement of the Target Fund and/or the management company, the NAV of the Fund, which invests into the Target Fund would be affected negatively. Although the probability of such occurrence is minute, should the situation arise, we reserve the right to seek for an alternative CIS that is consistent with the objective of this Fund, subject to your approval.

Country Risk

As the Fund invests in the Target Fund which is domiciled in Ireland, the Fund's investments in the Target Fund may be affected by risks specific to Ireland. Changes to laws and regulations of Luxembourg may have an adverse impact on the Target Fund, and consequently the Fund.

1.7.3. SPECIFIC RISKS RELATED TO THE TARGET FUND

As the Fund invests in the Target Fund, the Fund also assumes the risks associated with the Target Fund, which include but not limited to the following:

Fund manager risk

This risk refers to the day-to-day management of the Target Fund by the Target Fund manager which will impact the performance of the Fund. For example, investment decisions undertaken by the Target Fund 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. These may adversely affect the performance of the Fund.

Convertible Bonds Risk

Convertible bonds, like any other fixed income security, are sensitive to changes in the rates of interest. Convertibles usually have call provisions and when market interest rates drop, there is an imminent risk that the issuing company will call the securities. The issuing company will then be able to refund convertibles with a cheaper debt. In addition to market risk, there are certain risks associated with an investment in a convertible bond such as default risk (risk that the company issuing a convertible security will be unable to repay principal and interest) and interest rate risk.

The Target Fund with convertible securities may not be able to control whether the issuer of a convertible security chooses to convert that security. If the issuer chooses to do so, this action could **have an adverse effect on the Fund's** ability to achieve its investment objective because the issuer may force conversion before the Fund would otherwise choose to do so. This may impact on the value of the Target Fund's investment and as a result, the Net Asset Value of the Fund may be adversely affected.

CoCos Risk

While CoCos have some of the same risks as convertible bonds, as outlined above, there are also risks that are specific to this category of investment, such as conversion risk in the event of a change in an issuer's capital ratio below a predefined level. Conversion triggers and trigger levels for conversion for CoCos differ depending on the specific terms of issuance. The occurrence of a conversion trigger event is inherently unpredictable and depends on a number of factors, many of which will be outside the issuer's control. Further, in addition to the above and a possible call extension risk, CoCos are also subject to coupon cancellations. Coupon payments are entirely discretionary and may be cancelled by the issuer at any point, with any such cancelled payments being written off which can ultimately lead to a mispricing risk. CoCos may also be subject to regulatory or tax call provisions allowing the issuer to repurchase in the event of changes to the regulatory or tax environment. CoCos tend to have higher price volatility and greater liquidity risk than other securities which do not expose investors to the aforementioned risks.

Credit risk

The value of debt and preferred securities held by the Target Fund may be affected by factors such as the credit rating of the entity that issued the security and its maturity. Lower quality or longer maturity securities will tend to be subjected to greater credit risk and price fluctuations than higher quality or shorter maturity securities.

Fixed income securities that are not investment grade are commonly referred to as high yield securities. These securities offer a potentially higher yield than other higher rated securities, but they carry a greater degree of risk and are considered speculative by the major credit rating agencies.

In relation to preferred securities, credit risk refers to the decline in security's price and failure to make dividend payment when due. In terms of priority to corporate income, preferred securities are subordinated borrowing to bonds and other debt instruments in a company's capital structure. Therefore it will be subject to greater credit risk than debt instruments.

Liquidity risk

Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the Target Fund holds assets that are illiquid, or are difficult to dispose of, the value of the Target Fund will be negatively affected when it has to sell such assets at unfavourable prices.

Prepayment risk

When interest rates fall, the price of debt and preferred securities rises. During periods of falling interest rates, an issuer may also exercise its option to prepay principal earlier than scheduled. This will drive the Target Fund to reinvest in lower yielding securities. In relation to preferred securities, a change in law may also cause an issuer to redeem securities earlier than scheduled.

Extension risk

When interest rates rise, the price of debt and preferred securities will decline. During period of rising interest rates, the average life of some securities may be extended because of slower than expected principal payments. This may lock in a below market interest rate, increase the securities duration, and reduce the securities value.

Risk associated with Asset Replication Strategy

The Target Fund may utilise Asset Replication Strategy (ARS) for efficient portfolio management (EPM) purpose. ARS is used to replicate the assets by utilising swap agreements, credit default swaps (CDS), total return swaps (TRS), repurchase agreement, securities lending and/or forward currency contracts. When utilising these instruments, the Target Fund may be exposed to the risks associated with these instruments.

The swaps market is a relatively new market and is largely unregulated. Any potential government regulation may affect the Target Fund's ability to terminate existing swap agreements or to acquire the expected amounts under such agreements. The Target Fund may also suffer loss under the swap agreements, in case of counterparty default or bankruptcy.

The Target Fund may act as both protection buyer and seller in respect of a CDS. Where the Target Fund is the protection seller, the risk arises where a specified reference credit event occurs which obliges the Target Fund to pay the counterparty under the terms of the CDS. Where the Target Fund is the protection buyer, the risk arising is of the counterparty default where a specified reference credit event occurs and the Target Fund looks to the counterparty for payment.

In the event that the counterparty is unable to meet its payment contract under the TRS terms, credit risk will arise to the Target Fund.

Under a repurchase agreement, if the other party defaults the Target Fund may suffer a loss when the sales proceeds of the underlying securities and other collateral held by the Fund are less than the repurchase price. Additionally, in the event of bankruptcy or similar proceedings of the other party to the repurchase agreement or failure to repurchase the securities as agreed by the party, the Target Fund will suffer losses, including loss of interest on or principal of the security and costs associated with delay and enforcement of the repurchase agreement.

If the Target Fund engages in securities lending, the Target Fund may encounter the risk of loss of rights in the collateral or delay in recovery of the collateral if the borrower fail to return the securities loaned or become bankrupt.

The Target Fund may also utilise forward currency contracts. Forward currency contracts will be entered into OTC between two counterparties acting as principals. Since an OTC contract is not guaranteed by an exchange or clearing house, a default contract would force the Fund to cover its purchase or sale commitments, if any, at the current market price. The performance of the Target Fund may be influenced by movement in foreign exchange rates because currency positions held by the Target Fund may be different from the positions held.

Past performance of the Target Fund is not an indication of its future performance.

The above summary of risks does not purport to be an exhaustive list of all the risk factors relating to investments in the Fund and are not set out in any particular order of priority. You should be aware that an investment in the Wholesale Fund may be exposed to other risks from time to time. If in doubt, please consult your professional advisers for a better understanding of the risks.

2. TARGET FUND INFORMATION

2.1. ABOUT PRINCIPAL GLOBAL INVESTORS (IRELAND) LIMITED

Principal Global Investors Fund is an open-ended umbrella unit trust (the “Unit Trust”) authorised by the Central Bank of Ireland (the “CBI”) as a UCITS on 13 October 1992. The Unit Trust has created a number of sub-funds including the Preferred Securities Fund (the “Target Fund”), as set out in the Unit Trust’s prospectus (the “Prospectus”). The assets of each sub-fund of the Unit Trust belong exclusively to that sub-fund and are segregated from the assets of the other sub-funds. The Target Fund is subject to the supervision of the CBI within the scope of application of the laws of Ireland.

The manager of the Unit Trust Principal Global Investors (Ireland) Limited (The “Company”) was incorporated in Ireland on 22nd March, 1999, regulated by the CBI and is ultimately a wholly-owned subsidiary of Principal Financial Group Inc. The authorised share capital of the Company is €2,000,000. The issued and paid up share capital of the Company is €150,000. The Company has the right under the Trust Deed to retire at any time upon the appointment of a successor as provided in the Trust Deed. The Target Fund manager is responsible for the information contained in this document. The trustee of the Target Fund is BNY Mellon Trust Company (Ireland) Limited* and is incorporated in Ireland and regulated by the CBI. The Company may be removed by the trustee of the Target Fund in certain circumstances, including where the unit holders of not less than 50% of the units in the Target Fund for the time being in issue so request. The company secretary of the Company is Goodbody Secretarial Limited. The Trust Deed contains provisions governing the responsibilities of the Company and provides for its indemnification in certain circumstances, subject to exclusions in the case of fraud, negligence, default, breach of duty or breach of trust and subject to provisions of the Regulations.

* Effective 1 December 2019, reference to “BNY Mellon Trust Company (Ireland) Limited” will be changed to “Bank of New York Mellon SA/NV (Dublin Branch)”.

As Principal Global Preferred Securities Fund is a feeder fund, this Information Memorandum also describes some of the features of the Target Fund. We recommend this document to be read in conjunction with the Prospectus and the Target Fund’s supplemental prospectus. We have taken the necessary measures to ensure the accuracy and consistency of information disclosed in this Information Memorandum. In the event of any inconsistency or ambiguity in relation to any word or phrase used in this Information Memorandum regarding the Target Fund as compared to the Prospectus, the Prospectus shall prevail.

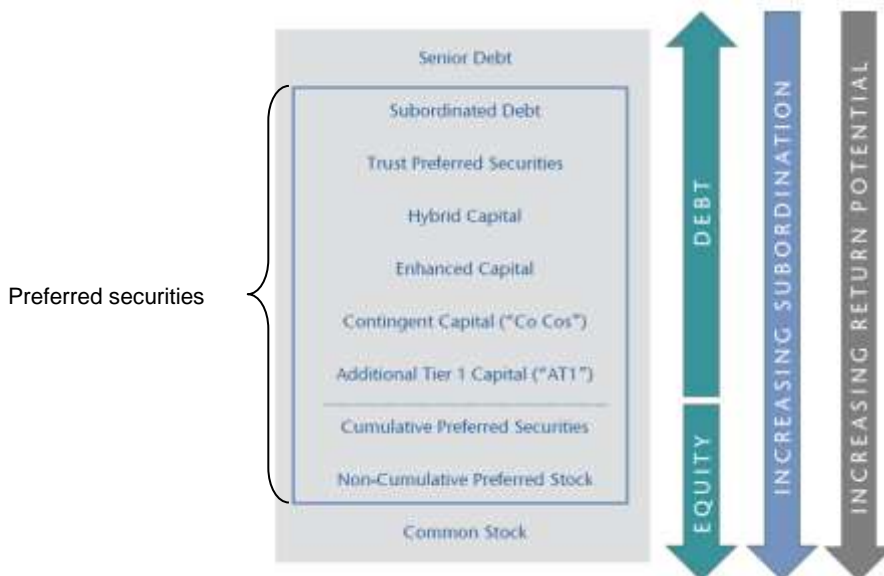
2.2. ABOUT PRINCIPAL GLOBAL INVESTORS FUND – PREFERRED SECURITIES FUND (“TARGET FUND”)

Investment Objective

The objective of the Target Fund is to provide a return consisting of income consistent with capital preservation.

Investment Strategies

The Target Fund seeks to achieve its objective by investing primarily in a portfolio of USD denominated preferred securities and debt securities. Preferred securities are fixed income securities, generally ranking junior to senior debt but exhibiting more equity-like features for purposes other than balance sheet accounting - i.e. regulatory accounting or ratings agency capital purposes. Typically preferred securities trade at spreads well in excess of other forms of corporate bonds, mainly because they rank lower than these other instruments in the event the issuer files bankruptcy. At least 80% of holdings in these securities must have minimum rating of Baa3/BBB rated by S&P Global Ratings or Moody’s Investors Service. The Target Fund’s investments will be offered on markets listed in page 11 of this Information Memorandum, although it is anticipated that the majority of the investment will be issued by US issuers.



The Target Fund seeks to add value primarily through security selection, including credit analysis. Its investment process involves in-depth proprietary research, and strategic and disciplined portfolio construction.

The Target Fund's investment market may include real estate investment trusts (REITs). A REIT is established as a trust or partnership structure which uses pooled capital of many investors to purchase and manage income property and/or mortgage loans. They are granted special tax exemptions, not being taxed at the company level but they must distribute at least 90% of their taxable income to investors. REITs are tradable on major markets and exchanges as securities. The investment in REITs will not affect the Target Fund's ability to provide redemption facilities.

The Target Fund may also hold ancillary liquid assets such as bank deposits. However, only up to 1/3 of the net asset value of the Target Fund may be held in aggregate in ancillary liquid assets or non-preferred securities or debt securities or derivatives instruments.

The Target Fund's investments will generally be denominated in USD. Any exposure to currencies other than USD will be hedged back to USD.

The Target Fund may use techniques and instruments, including derivatives, which securities are taken into account when calculating limits in the investment restriction set out in the Prospectus and supplemental prospectus, if any, (also set out in this Information Memorandum) for the purpose of efficient portfolio management (EPM) in accordance with the investment restrictions, conditions and limits laid down by the CBI. The Target Fund may utilise ARS for EPM purpose. In particular, the Target Fund may enter into repurchase, reverse repurchase, sale and buyback agreements (together with repo agreements) and stock lending agreements, CDS and TRS and may enter into forward currency contracts to alter the currency exposure characteristics of portfolio investments. As at the date of this Information Memorandum, derivatives are only used for hedging purposes under UCITS regulations. The Target Fund's investment advisor currently only utilizes treasury futures and options on treasury futures in managing the duration of the account.

Repo agreements are instruments where one party sells a security and simultaneously agrees to repurchase the securities at a particular time at a specified price. The price is equal to the sale proceeds plus repo interest. The proceeds from the (repoed security) can be reinvested in another investment with a yield which is greater than the repo rate and this should enable the Target Fund to obtain a return which is greater than the return which the security alone can generate. A CDS is a type of OTC derivative contract which allows one party to buy protection from another party in respect of potential losses arising from the default of a specified reference. A CDS provides the Target Fund with an alternative to investing in assets themselves for a potentially higher return with the same risk. CDSs may be used to obtain exposure to assets which the Target Fund could not otherwise acquire due to illiquidity in the relevant market. A TRS is a type of OTC derivative contract which allows the Target Fund to achieve exposure to an asset or asset class on a synthetic basis. The Target Fund receives the total return of a reference asset or asset class for a specific period of time in return for a cost of financing. If the investment return is greater than the cost of financing the TRS, the Target Fund should receive an enhanced return which is greater than that which the underlying asset alone could generate.

The reference asset or asset class of any CDS or TRS will always comprise assets which the Target Fund itself is permitted to invest in directly under its current investment policy. Any such transaction cannot subject the Target Fund to a potential loss greater than that which it could obtain in the cash market and may only be carried out in accordance with the requirements of the CBI.

The Target Fund may also enter into currency Forward Contracts to alter the currency exposure characteristics of certain assets held by the Target Fund but not for speculative purposes. Such contracts will generally be utilised to gain exposure to a currency in which the Target Fund may invest directly rather than to purchase the cash assets in that currency.

Please be aware that there are risks involved for the utilisation of the asset replication strategy. For information see "Risk Factors" on page 3 of this Information Memorandum. If in doubt, please consult your professional advisers for a better understanding of the risks associated with the Target Fund.

Benchmark for Performance Measurement

The Target Fund is managed without reference to a particular benchmark. However, the performance comparator index of the Target Fund for performance comparison purpose only may be found on the monthly fund fact sheet of the Target Fund available on the www.principalglobal.com website.

Asset Allocation

	Restrictions
Preferred securities	Must maintain average ratings of Baa3/BBB*
Debt instruments	Must maintain average ratings of Baa3/BBB*
REITs	Must maintain average ratings of Baa3/BBB*
Portfolio Credit Quality	Normal range of A3/A- to Baaa3/BBB- At least 80% of holdings must have minimum rating of Baa3/BBB*
Cash instruments	Maximum 10%
Other Bonds	Maximum 10%
Single Issuer Exposure	Maximum 10%; Average issuer exposure around 1%
Single Sector Exposure	No constraints; but generally, less than 30%
Annual Turnover Ratio	Typically 20%-30%

* rated by S&P Global Ratings or Moody's Investors Service

2.3. SPECIFIC RISKS OF THE TARGET FUND

Please refer to “Specific Risks Related to the Target Fund” section at page 3 for details.

2.4. INVESTMENT RESTRICTIONS OF THE TARGET FUND

The restrictions following the Prospectus and the supplemental prospectus, if any, as at the time of this document include the following provisions:

- The Target Fund will invest up to 20% of its net asset value in securities traded on markets/exchanges located in emerging markets.
- The Target Fund will invest up to 20% of its net asset value in securities which at the time of investment are below investment grade.

2.4.1. Permitted Investments

Investment of the Target Fund is confined to:

- i) Transferable securities and money market instruments, which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operating regularly, recognised and open to the public in a Member State or non-Member State.
- ii) Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
- iii) Money market instruments, other than those dealt on a regulated market.
- iv) Units of UCITS.
- v) Units of non-UCITS / AIF.
- vi) Deposits with credit institutions.
- vii) Financial Derivative Instrument (FDI).

2.4.2. Investment Restrictions

- a) The Target Fund may invest up to 10% of its net assets in transferable securities and money market instruments other than those referred in paragraph (i).
- b) The Target Fund may invest up to 10% of its net assets in recently issued transferable securities which Regulations 68(1)(d) of the Regulations apply. This restriction will not apply in relation to investment by the Target Fund in certain US securities known as Rule 144A securities provided that:
 - i) The securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and
 - ii) The securities are not illiquid securities i.e. they may be realised by the Target Fund within seven days at the price, or approximately at the price, at which they are valued by the Target Fund.
- c) The Target Fund may invest no more than 10% of its net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
- d) Subject to the prior approval of the CBI, the limit of 10% in (2)(c) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law of Ireland to special public supervision designed to protect bond-holders. If the Target Fund invests more than 5% of its net asset in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the Target Fund.
- e) The limit of 10% in (2)(c) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by:
 - i) Member State or its local authorities, or
 - ii) non-Member State or public international body of which one or more Member State are members.
- f) The transferable securities and money market instruments referred to in (2)(d) and (2)(e) shall not be taken into account for the purpose of applying the limit of 40% referred to in (2)(c).
- g) The Target Fund may not invest more than 20% of net assets in deposits made with the same credit institution.
- h) Cash booked in accounts and held as ancillary liquidity shall not exceed 20% of the net assets of the Target Fund.
- i) The risk exposure of the Target Fund to a counterparty in an over the counter derivative transaction may not exceed 5% of its net assets.
- j) This limit is raised to 10% in the case of credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey the Isle of Man, Australia or New Zealand.
- k) Notwithstanding paragraphs (2)(c), (2)(g) and (2)(h) above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of its net assets:
 - i) Investments in transferable securities or money market instruments;
 - ii) deposits, and/or
 - iii) counterparty risk exposure arising from OTC derivatives transactions.

- l) The limits referred to in (2)(c), (2)(d), (2)(e), (2)(g), (2)(h) and (2)(i) above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
- m) Group companies are regarded as a single issuer for the purposes of (2)(c), (2)(d), (2)(e), (2)(g), (2)(h) and (2)(i). However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
- n) The Target Fund may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members. The following are permitted issuers for the purpose of this investment restriction: Organisation for Economic Co-operation and Development Governments (provided the relevant issues are investment grade), European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development, (the World Bank), The Inter-American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority and Export-Import Bank.
- o) The Target Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.

2.4.3. Investment in CIS

- a) The Target Fund may not invest in aggregate more than 10% of net assets in other open-ended CIS.
- b) The CIS are prohibited from investing more than 10% of net assets in other open-ended CIS.
- c) When the Target Fund invests in the units of other CIS that are managed by directly or by delegation the Target Fund manager or by any other related company, i.e. linked by common management or control, or by a substantial direct or indirect holding, the Target Fund manager or the entity may not charge subscription, conversion or redemption fees on account to the Fund.
- d) Where a commission (including a rebated commission) is received by the Target Fund manager or Target Fund Investment Manager by virtue of an investment in the units of another CIS, this commission must be paid into the relevant Fund.

2.4.4. General Provisions

- a) The Target Fund manager acting in connection with all of the CISs it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- b) The Target Fund may acquire no more than:
 - i) 10% of the non-voting shares of any single issuing body.
 - ii) 10% of the debt securities of any single issuing body.
 - iii) 25% of the units of any single CIS.
 - iv) 10% of the money market instruments of any single issuing body.

Note: The limits laid down in (4)(b)(ii) to (4)(b)(iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments or the net amount of the securities in issue cannot be calculated.

- c) (4)(a) and (4)(b) shall not be applicable to:
 - i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
 - ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;
 - iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
 - iv) shares held by the Target Fund in the capital of a company incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that state, where under the legislation of that state such a holding represents the only way in which the Target Fund can invest in the securities of issuing bodies of that state. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in (2)(c) to (2)(k), (3)(a), (3)(b), (4)(a), (4)(b), (7)(a), (7)(b) and (7)(c), and provided that where these limits are exceeded, (7)(b) and (7)(c) are observed;
 - v) shares held by the Target Fund in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit holders' request exclusively on their behalf.

2.4.5. Financial Derivative Instruments (FDIs)

- a) The Target Fund's global exposure relating to FDI must not exceed its total net asset value.
- b) Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the

investment limits set out in the Notices. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank Requirements.)

- c) The Target Fund may invest in FDIs dealt in OTC provided that the counterparties to OTCs are institutions subject to prudential supervision and belonging to categories approved by the CBI.
- d) Investment in FDIs are subject to the conditions and limits laid down by the CBI.

2.4.6. General Restrictions

- a) Neither the Target Fund manager nor the trustee of the Target Fund acting on behalf of the Unit Trust may carry out uncovered sales of:
 - i) Transferable securities;
 - ii) Money market instruments;
 - iii) Units of CIS; or
 - iv) Financial derivative instruments.

The Target Fund may hold ancillary liquid assets.

2.4.7. Compliance with Investment Restrictions

- a) The Target Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
- b) The CBI may allow recently authorised target funds to derogate from the provisions of (2)(c) to (2)(l), (3)(a) and (3)(b) (the CIS requirements) for six months following the date of their authorisation, provided they observe the principle of risk spreading.
- c) If the investment limit percentages laid down herein are exceeded for reasons beyond the control of the Target Fund manager, or as a result of the exercise of subscription rights, the Target Fund manager, must adopt as a priority objective for the Target Fund's sale transactions the remedying of that situation, taking due account of the interests of holders.
- d) It is intended that the unit trust should have the power to avail of any change in the law, regulations or guidelines which would permit investment in assets and securities on a wider basis than is stated above in accordance with the requirements of the CBI.

2.5. ANTI DILUTION LEVY

The Target Fund manager may exercise its discretion to apply an anti-dilution levy in relation to the issue, redemption and exchange of Units. The levy is an allowance for market spreads, fiscal and other dealing charges that may reduce the number of Units issued in connection with a subscription or be deducted from the redemption proceeds received in connection with a, to reflect the costs of buying or disposing of underlying assets.

The levy is intended to be used to ensure that all investors in the funds are treated equitably by allocating transaction costs to the investors whose transactions give rise to those costs.

2.6. RESTRICTIONS, SUSPENSION AND DEFERRAL ON REDEMPTIONS

In certain circumstances, the Target Fund manager has the discretion to implement measures to ensure that the Target Fund is sufficiently liquid to meet redemption requests, which include the possibility of restricting, suspending and/or deferring redemption requests. The circumstances and the measures that the Target Fund manager may implement include but not limited to the following:

- With the approval of the trustee of the Target Fund, the Target Fund manager may limit the total number of units available for redemption of the Target Fund on any dealing day to 10% of its net asset value, whether by controlling the acceptance of redemption request to the Target Fund manager or by cancellation of redemption request (e.g. for unsettled transaction) by the trustee of the Target Fund.

In this event, the limitation will apply on a pro rata basis (i.e. proportionately) so that all unit holders who wish to redeem units of the Target Fund on that dealing day are able to redeem at the same proportion. Remaining units that are not redeemed on that dealing day will be carried forward for redemption on the next dealing day. If redemption requests are carried forward, the Target Fund manager will instruct the administrator to notify the affected unit holders and to give priority to process such requests on the next dealing day.

- The Trust Deed permits the Target Fund manager to make in specie distribution of investments (i.e. payment through assets in its existing form without having to liquidate or convert into cash for distribution) to a unit holder whose redemption request represents 5% or more of the net asset value of the Target Fund. Any such distribution shall not be prejudicial to other unit holders. However, the unit holder may require the Target Fund manager to sell such investments on its behalf and pay the proceeds of sale less any costs incurred in connection with such sale.

- Further, the Target Fund manager may at its discretion, require up to 4 days of notice for each redemption request in respect of Class I units where such request (or series of requests from that one unit holder) would result in the payment of an aggregate amount exceeding 5% of the net asset value of the Target Fund.
- With the approval of the trustee of the Target Fund, the Target Fund manager may (at any time) temporarily suspend the redemption of units of any class of the Target Fund and/or may temporarily delay the payment of any monies in respect of any redemption during the following periods:-
 - a) any period when any market on which a substantial part of the investments or other property of the Target Fund are quoted, listed or dealt in is closed for reason other than for ordinary holidays;
 - b) any period when dealings on any such market are restricted or suspended;
 - c) the existence of any state of affairs which in the opinion of the Target Fund manager, result in the disposal of some or all investments or other property of the Target Fund and cannot be effected normally or without seriously prejudicing the interests of unit holders of that class;
 - d) any breakdown in the means of communications normally employed in determining the net asset value of the Target Fund or when, for any other reason, the value of any investments or other property of the Target Fund cannot be promptly and accurately ascertained;
 - e) any period when in the opinion of the Manager that the redemption of investments or other property of the Target Fund or the transfer of funds involved in such redemption cannot be effected at normal prices or normal rates of exchange.

The Target Fund manager will notify us on any such suspension and we will notify you accordingly. Any request for redemptions will be dealt with on the first dealing day after the suspension is lifted. The Target Fund manager will also notify on any such suspension to the Euronext Dublin, the Central Bank of Ireland and to the competent authorities in the Member States where units of the relevant class or classes are marketed without delay. Where feasible, the Target Fund manager will take all reasonable steps to bring any period of suspension to an end as soon as possible.

2.7. FEES CHARGED BY THE TARGET FUND (CLASS I INCOME USD)

Fees/Expenses	
Initial Charge	Nil
Management Fee	Up to 0.40% per annum of the net asset value of the Target Fund. <i>Note: The management fee charged by the Target Fund will be paid out of the Management Fee charged by the Manager at the Fund level. Unit holders will incur a Management Fee at the Fund's level only and there is no double charging of management fee.</i>
Redemption Fee	Nil
Performance Fee	Nil
Other expenses	The Target Fund will pay all charges and expenses incurred in its operation including, without limitation, taxes, expenses for legal and auditing services, brokerage, governmental duties and charges, settlement costs and bank charges, stock exchange listing expenses and fees due to supervisory authorities in various countries, including the costs incurred in obtaining and maintaining registrations so that the shares of the Target Fund may be marketed in different countries; expenses incurred in the issue, switch and redemption of shares and payment of dividends, registration fees, insurance, interest and the costs of computation and publication of shares prices and postage, telephone, facsimile transmission and the use of other electronic communications; costs of printing proxies, statements, share certificates or confirmations of transactions, shareholders' reports, prospectuses and supplementary documentation, explanatory brochures and any other periodical information or documentation.

2.8. MARKETS

Currently, with the exception of permitted investments in unlisted securities or in units of open-ended CIS, investments of the Target Fund will be restricted to those stock exchange and markets listed below.

Stock Exchanges

- (i) any stock exchange which is:
 - Located in any Member State; or
 - Located in any of the following countries:-
 - Canada
 - Japan
 - New Zealand
 - Norway
 - Liechtenstein
 - Switzerland
 - United Kingdom
 - United States of America; or
- (ii) Any stock exchange included in the following list:-
 - Argentina The stock exchanges in Buenos Aires;

Australia	The Australian stock exchange;
Bermuda	The Bermuda Stock Exchange Limited;
Botswana	The stock exchange in Botswana;
Brazil	The stock exchanges in Sao Paulo and Rio de Janeiro;
Cayman Islands	The Cayman Islands Stock Exchange;
Chile	The stock exchange in Santiago;
China	The stock exchange in Shanghai and Shenzhen;
Colombia	The stock exchanges in Bogota, Medellin and Cali;
Croatia	The Zagreb Stock and Commodities Exchange;
Egypt	The stock exchanges in Cairo and Alexandria;
Ghana	The stock exchange in Ghana;
Hong Kong	The stock exchange in Hong Kong;
Hungary	The stock exchange in Budapest;
Iceland	The stock exchange in Reykjavik;
India	The stock exchanges in Bombay, Madras, Delhi, Ahmedabab, Bungalowore, Cochin, Gauhati, Magadh, Pune, Hyderabad, Ludhiana, Uttar Pradesh and Calcutta;
Indonesia	The stock exchanges in Jakarta and Surabaya;
Israel	The stock exchange in Tel Aviv;
Jordan	The stock exchange in Amman;
South Korea	The stock exchange in Seoul;
Kuwait	Kuwait the Kuwait Stock Exchange
Malaysia	The stock exchange in Kuala Lumpur;
Mexico	The stock exchange in Mexico City;
Morocco	The stock exchange in Casablanca;
Nigeria	The stock exchanges in Lagos, Kaduna and Port Harcourt;
Pakistan	The stock exchanges in Karachi, Lahore and Islamabad;
Peru	The stock exchange in Lima;
Philippines	The stock exchanges in Manila and Makati;
Qatar	The Qatar Exchange
Russia	RTS Stock Exchange and MICEX;
Saudi Arabia	The Saudi Stock Exchange
Singapore	The stock exchange in Singapore;
South Africa	The stock exchange in Johannesburg;
Sri Lanka	The stock exchange in Colombo;
Taiwan	The stock exchange in Taipei;
Thailand	The stock exchange in Bangkok;
Tunisia	The Tunisia Stock Exchange;
Turkey	The stock exchange in Istanbul;
Uruguay	The stock exchange in Montevideo;
United Arab Emirates	The Abu Dhabi Securities Exchange, Dubai Financial Market and NASDAQ Dubai
Venezuela	The stock exchanges in Caracas and Maracaibo;
Zimbabwe	The Zimbabwe Stock Exchange

(iii) Markets

The market organized by the International Capital Market Association;

The (i) market conducted by banks and other institutions regulated by the Prudential Regulation Authority (PRA); and (ii) market in non-investment products which is subject to the guidance contained in the Non-Investment Products Code drawn up by the participants in the London market, including the FSA and the Bank of England;

The market in U.S. government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York and the US Securities and Exchange Commission;

The OTC market in the United States regulated by the Financial Industry Regulatory Authority Inc. ("FINRA"), also described as the over-the counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and by the National Association of Securities Dealers (and by banking institutions regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);

NASDAQ;

The OTC market in Japan regulated by the Securities Dealers Association of Japan;

AIM – the Alternative Investment Market in the United Kingdom which is regulated and operated by the London Stock Exchange;

The French market for Titres de Creance Negotiable (OTC market in negotiable debt instruments);

The OTC market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada.

In relation to any exchange traded financial derivative contract, any stock exchange on which such contract may be acquired or sold and which is regulated, is recognized and open to the public and which is (a) located in any jurisdiction listed in (i) above, (b) listed in (ii) or (iii) above, or included in the following list:

Bourse de Montreal;	New York Mercantile Exchange;
The Channel Islands Stock Exchange;	New Zealand Futures and Options Exchange;
The Chicago Board of Trade;	Hong Kong Futures Exchange;
The Chicago Mercantile Exchange;	Osaka Securities Exchange;
The Chicago Board Options Exchange;	Singapore Commodity Exchange;
EDX London;	Tokyo International Financial Futures Exchange.
New York Board of Trade;	

The stock exchanges and regulated markets described above are set out herein in accordance with the requirements of the CBI which does not issue a list of approved markets.

3. FEES, CHARGES AND EXPENSES

3.1. CHARGES

The following describes the charges that you may directly incur when you buy or redeem units.

3.1.1. Application Fee

When applying unit of the Class, you may be charged an Application Fee based on the NAV per unit of the respective Class. Please refer to the Annexure of the respective Class for further information.

	Class ABC (Denominated in USD)	Class XYZ (Denominated in MYR)
1. Investment amount	USD 10,000	MYR 10,000
2. NAV per Unit	USD 1.0000	MYR 1.0000
3. Application Fee (NAV per Unit)	3.5%	3.5%
Units issued to Unit holder		
= <u>Investment amount</u>	= <u>USD 10,000.00</u>	= <u>MYR 10,000.00</u>
NAV per Unit	USD 1.0000	MYR 1.0000
	= 10,000 units	= 10,000 units
Application Fee per unit		
= NAV per Unit x Application Fee (%)	= USD 1.0000 x 3.5%	= MYR 1.0000 x 3.5%
	= USD 0.0350	= MYR 0.0350
Total Application Fee	= 10,000 units x USD 0.0350 = USD 350.00	= 10,000 units x MYR 0.0350 = MYR 350.00

Note: The Application Fee imposed will be rounded to two (2) decimal places.

3.1.2. Withdrawal Fee

Nil.

3.1.3. Switching Fee

Switching is treated as a withdrawal from a Class and an investment into another Class or Principal Malaysia's fund (or its class). You may be charged a Switching Fee equal to the difference (if any) between the Application Fee of the Class and the Application Fee of the other Class or Principal Malaysia's fund (or its class). Switching Fee will not be charged if the Class or Principal Malaysia's fund (or its class) to be switched into has a lower Application Fee. In addition, you may be charged administrative fee for each switch. Please refer to the Annexure of the respective Class for further information.

3.1.4. Transfer Fee

You may be charged a Transfer Fee for each transfer. Please refer to the Annexure of the respective Class for further information.

3.2. FEES AND EXPENSES

All fees and expenses of the Fund will generally be apportioned to each Class currently available for sale based on the MCR except for Management Fee and those that are related to the specific Class only, such as, the cost of Unit holders meeting held in relation to the respective Class. If in doubt, you should consult professional advisers for better understanding.

The following describes the fees that you may indirectly incur when you invest in a Class.

3.2.1. Management Fee

Please note that the Management Fee is charged to the respective Class at the Class level, based on the NAV of the Class. The Management Fee shall be accrued daily and paid monthly. Please refer to the Annexure of the respective Class for further information.

Below is an illustration on how the Management Fee is calculated, assuming Management Fee of 1.50% per annum and USD 150 million each for both Class ABC and Class XYZ:-

3.2.4. Expenses

The Deed also provides for payment of other expenses. Other expenses which are directly related and necessary to the operation and administration of the Fund may be charged to the Fund. These would include (but are not limited to) the following:

- commissions or fees paid to brokers or dealers in effecting dealings in the investments of the Fund, shown on the contract notes or confirmation notes or difference account;
- taxes and other duties charged on the Fund by the government and/or other authorities if any and bank fees;
- costs, fees and expenses properly incurred by the Auditor and tax agent;
- costs, fees and expenses incurred for the valuation of any investment of the Fund by independent valuers for the benefit of the Fund;
- costs, fees and expenses incurred for any modification of the Deed save where such modification is for the benefit of the Manager and/or the Trustee;
- costs, fees and expenses incurred for any meeting of the Unit holders save where such meeting is convened for the benefit of the Manager and/or the Trustee;
- costs, commissions, fees and expenses of the sale, purchase, insurance and any other dealing of any asset of the Fund;
- costs, fees and expenses incurred in engaging any specialist approved by the Trustee for investigating or evaluating any proposed investment of the Fund;
- costs, fees and expenses incurred in engaging any valuer, adviser or contractor for the benefit of the Fund;
- costs, fees and expenses incurred in the preparation and audit of the taxation, returns and accounts of the Fund;
- costs, fees and expenses incurred in the termination of the Fund or the removal of the Trustee or the Manager and the appointment of a new trustee or fund manager;
- costs, fees and expenses incurred in relation to any arbitration or other proceedings concerning the Fund or any asset of the Fund, including proceedings against the Trustee or the Manager by the other for the benefit of the Fund (save to the extent that legal costs incurred for the defence of either of them are not ordered by the court to be reimbursed by the Fund);
- costs, fees and expenses deemed by the Manager to have been incurred in connection with any change or the need to comply with any change or introduction of any law, regulation or requirement (whether or not having the force of law) of any governmental or regulatory authority;
- remuneration and out of pocket expenses of the independent members of the investment committee and/or the members of the shariah committee or advisers (if any) of the Fund, unless the Manager decides otherwise to bear the same;
- costs, fees and expenses incurred in connection with the printing and postage for the annual and quarterly reports, tax certificates, reinvestment statements and other services associated with the administration of the Fund;
- (where the custodial function is delegated by the Trustee) charges and fees paid to foreign sub-custodian(s) taking into custody any foreign assets of the Fund; and
- costs and expenses incurred in relation to the distribution of income (if any).

Expenses not authorised by the Deed must be paid by us or the Trustee out of our own funds, if incurred for our own benefit.

3.2.5. We and the Trustee are required to ensure that any fees or charges payable are reasonable and in accordance with the Deed which stipulates the maximum rate in percentage terms that can be charged. We will ensure that there is no double charging of Management Fees to be incurred by you when you invest in the Fund. All expenses of the Fund will generally be apportioned to each Class based on the MCR except for Management Fee and those that are related to the specific Class only, such as, the cost and/or benefits from currency hedging of the respective Classes and the cost of Unit holders meeting held in relation to the respective Class. If in doubt, you should your professional advisers for better understanding.

You should note that, we may alter the fees and charges (other than the Trustee Fee) within such limits, and subject to such provisions, as set out in the Deed.

You should note that, we may, for any reason at any time, where applicable, waive or reduce the amount of any fees (except the Trustee Fee) or other charges payable by the Sophisticated Investor in respect of the Fund, either generally (for all Sophisticated Investor) or specifically (for any particular Sophisticated Investor, a group of Sophisticated Investor or investments made via any digital platform) and for any period or periods of time at our absolute discretion.

3.3. REBATES AND SOFT COMMISSIONS

We and the Trustee will not retain any form of rebate or soft commission from, or otherwise share in any commission with, any broker in consideration for directing dealings in the investments of the Fund unless the soft commission received is retained in the form of goods and services such as research and advisory services that assist in the decision making process relating to the Fund's investments. All dealings with brokers are executed on the most favourable terms available for the Fund. Any rebates will be directed to the account of the Fund.

There are fees and charges involved and you are advised to consider them before investing in the Fund.

All fees and charges payable by you and/or the Fund are subject to any applicable taxes and/or duties as may be imposed by the government or other authorities (if any) from time to time. As a result of changes in any rule, regulation, directive, notice and/or law issued by the government or relevant authority, there may be additional cost to the fees, expenses, charges and/or taxes payable to and/or by the Fund or you as disclosed or illustrated in the Information Memorandum.

As this is a feeder fund, you are advised that you will be subjected to higher fees arising from the layered investment structure.

We have the discretion to amend the amount, rate and/or terms and conditions for the above-mentioned fees, charges and expenses from time to time, subject to the requirements stipulated in the Deed. Where necessary, we will notify the Trustee and communicate to you or seek your approval on the amendments to the fees and charges.

4. TRANSACTION INFORMATION

4.1. VALUATION OF INVESTMENTS PERMITTED BY THE FUND

We will ensure that all the assets of the Fund are valued in a fair manner. The assets of the Fund are valued as follows:

- **CIS**
The value of the unlisted CIS (i.e. the Target Fund) shall be determined by reference to the last published repurchase or redemption price for the Target Fund.
- **Money market instruments**
Money market instruments such as negotiable instrument of deposits and commercial papers shall be valued by reference to the quotes provided by independent and reputable pricing source(s), which is deemed fair value, includes but not limited to **Bond Pricing Agency (“BPA”) registered by the SC. Where the quotes are provided by financial institutions, the valuation** of the money market instruments will be based on the average of bid and offer prices quoted by three (3) independent and reputable financial institutions of similar standing at the close of trading, based on the methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.
- **Deposits**
The value of Deposits shall be determined each day by reference to the principal value of such permitted investments and the accrued income thereon for the relevant period.
- **Derivatives**
The value of unlisted derivative instruments, the value will be determined by the financial institution that issued the instrument. In any event, we shall ensure that the valuation of the investment is valued at fair value as determined in good faith by us, on methods and bases which shall be verified by the auditor of the Fund and approved by the Trustee.

The value of any listed derivatives, which are quoted on an approved exchange, shall be calculated by reference to the last transacted price on that approved exchange. If the last transacted price does not represent the fair value of the securities, then the securities shall be valued at fair price as determined by reference to us, based on the methods or bases approved by the Trustee after appropriate technical consultation, such as the mean of bid and offer prices at the close of trading. Suspended derivatives will be valued at their last done price unless there is conclusive evidence to show that the value has gone below the suspended price or where the quotation of the derivatives has been suspended for a period exceeding fourteen (14) days, whereupon their fair value will be determined in good faith by us based on the methods or bases approved by the Trustee after appropriate technical consultation.

If the value of the Fund’s assets is denominated in a foreign currency, the assets are translated on a daily basis to USD based on the bid foreign exchange rate quoted by either Reuters or Bloomberg, at UK time 4:00 p.m. the same day (Malaysia time 11:00 p.m. or 12:00 a.m.) or such other time as we may determine or as per the IMS.

4.2. UNIT PRICING

We adopt a single pricing method for any transactions (i.e. applications, withdrawals, switches and/or transfers) based on forward prices. This means that we will process your transactions request based on the unit pricing on a Business Day (i.e. the NAV per Unit) that we receive the completed relevant transaction forms from you.

If the transactions are made by 4:00 p.m. on a Business Day, we will process the transactions using the NAV per unit for that Business Day. For transactions made after 4:00 p.m., we will process the transactions using the NAV per unit on the next Business Day.

We will carry out the valuation point of the Classes 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 or instruments to **the Fund’s base currency**. Currently, the currency translation is based on the bid exchange rate quoted by Bloomberg or Reuters at UK time 4:00 p.m. on the same day (Malaysia time 11:00 p.m. or 12:00 a.m.), or such other time as we may determine or as stipulated in the IMS. The NAV per unit for a Business Day is available on our website at <http://www.principal.com.my> after 5:30 p.m. on the following Business Day (T+1).

The Fund must be valued at least once every Business Day. The method of determining NAV per Unit of the Class is calculated as follows:

$$\text{NAV per Unit of the Class} = \frac{\text{NAV of the Class}}{\text{Number of units in issue of the Class}}$$

The NAV of the Fund is the sum of the value of all investments and cash held by the Fund (calculated in accordance with the Deed) including income derived by the Fund which has not been distributed to you, less all amounts owing or payable in respect of the Fund which also includes any provisions that may be made by us and the Trustee. For example, a provision may be made for possible future losses on an investment which cannot be fairly determined.

The valuation of the Fund is in the base currency i.e. USD. As such, all the assets and liabilities of each Class will be converted into USD for valuation purposes. The foreign exchange rate used for this purpose shall be the bid exchange rate quoted by

Bloomberg or Reuters at UK time 4:00 p.m. on the same day (Malaysia time 11:00 p.m. or 12:00 a.m.), or such other time as we may determine or as per the IMS. The NAV per Unit of each Class will be the NAV of the Fund attributable to each Class divided by the number of units in circulation of that Class, at the same valuation point.

Multi-class Ratio (MCR)

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.

Illustration on computation of 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%	⁽¹⁾ 93.22%	⁽¹⁾ 6.78%
Add: Income	30,000	⁽²⁾ 27,966	⁽²⁾ 2,034
Less: Expenses	(10,000)	⁽²⁾ (9,322)	⁽²⁾ (678)
Benefits or costs of hedging (if any)*		-	900
NAV of the Fund before Management Fee and Trustee Fee	185,963,797.00	173,361,541.00	12,602,256.00
Less: Management Fee*	(7,642.35)	(7,124.45)	(517.90)
Less: Trustee Fee*	(203.80)	(189.98)	(13.82)
NAV of the Fund	185,955,950.85	173,354,226.57	12,601,724.28
Units in circulation	205,000,000 units	170,000,000 units	35,000,000 units
NAV per Unit		1.0197	0.3600
Currency exchange rate		N/A	(USD/MYR) 4.00
NAV per Unit		USD 1.0197	MYR 1.4400

	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	185,955,950.85	173,354,226.57	12,601,724.28
⁽³⁾ Proceeds from Creation of units	1,250,00.00	1,000,000.00	250,000.00
Closing NAV	187,205,950.85	174,354,226.57	12,851,724.28
Units in circulation	206,675,125.03 units	170,980,680.59 units	35,694,444.44 units
NAV per Unit		1.0197	0.3600
Currency exchange rate		N/A	(USD/MYR) 4.00
NAV per Unit		USD 1.0197	MYR 1.4400

Note :

⁽¹⁾ MCR computation

	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in MYR) (USD)
<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:

	(USD)	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in MYR) (USD)
Add: Income	30,000	MCR x Income = Income for Class ABC = 93.22% x USD 30,000 = USD 27,966	MCR x Income = Income for Class XYZ = 6.78% x USD 30,000 = USD 2,034
Less: Expenses	(10,000)	MCR x Expenses = Expenses for Class ABC = 93.22% x USD 10,000 = USD 9,322	MCR x Expenses = Expenses for Class XYZ = 6.78% x USD 10,000 = USD 678

⁽³⁾ Creation of units

	Class ABC (Denominated in USD)	Class XYZ (Denominated in MYR)
Creation of units	USD 1,000,000	MYR 1,000,000
NAV per Unit	USD 1.0197	MYR 1.4400
Number of units	980,680.59 units	694,444.44 units
Currency exchange rate	N/A	(MYR/USD) 4.00
Creation of units	USD 1,000,000	USD 250,000

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

4.3. INCORRECT PRICING

We shall take immediate remedial action to rectify any incorrect valuation and/or pricing of the Fund. Where such error has occurred, we shall reimburse the money in the following manner:

- a) in the event of over valuation and/or pricing, we shall reimburse:
 - i. the Fund for any redemption of units; and/or
 - ii. you, if you have purchase units of the Fund at a higher price; or
- b) in the event of under valuation and/or pricing, we shall reimburse:
 - i. the Fund for any subscription of units; and/or
 - ii. you, if you have withdrawn units of the Fund at a lower price.

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

- a) is equal or more than 0.50% of the NAV per Unit; and
- b) results in a sum total of USD10.00 (or the same value in the respective Class currency) or more to be reimbursed to a Unit holder for each sale or withdrawal transaction.

We shall have the right to amend, vary or revise the aforesaid limits from time to time.

4.4. INVESTING

4.4.1. Who can invest?

You are eligible to invest in the Fund if you are a Sophisticated Investor who is:

- an individual who is at least eighteen (18) years of age and not an undischarged bankrupt with a bank account (or foreign currency bank account, as the case may be) in the currency of the Class applied for (e.g. Class USD investors are required to have a USD bank account). As an individual investor, you may also opt to invest in joint names (i.e. as a joint Unit Holder and both applicants must be at least eighteen (18) years old of age).
- an institution including a company, corporation, co-operative, trust or pension fund with a bank account (or foreign currency bank account, as the case may be) in the currency of the Class applied for (e.g. Class USD investors are required to have a USD foreign currency bank account).

However, we have the right to reject an application on reasonable grounds.

Further, where we become aware of a US person (i.e. someone who has a USA address, (permanent or mailing)) or US entity (i.e. a corporation, trust, partnership or other entity created or organised in or under the laws of the United States or any state thereof or any estate or trust the income of which is subject to United States Federal Income Tax regardless of source) holding units in the Fund, we will issue a notice to that Unit holder requiring him/her to, within thirty (30) days, either withdraw the units or transfer the units to a non-US person or non-US entity.

We also have the right to withdraw all units held by you in the event we are of the opinion that such withdrawal is necessary to ensure that we comply with any relevant laws, regulations and guidelines. We will first notify you before making any such compulsory withdrawal of your units.

4.4.2. How to invest?

You may invest through any of our Distributors or our head office after completing the relevant application forms and attaching a copy of your identity card, passport or any other identification document. We may request for additional supporting document(s) or information from you. On the application form, please indicate clearly the amount you wish to invest in the Fund. We may introduce other mode of investment from time to time, subject to the approval of the relevant authorities.

You may invest:

- by crossed cheque, banker's draft, money order or cashier's order (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;
- directly from your bank account (or foreign currency bank account, as the case may be) held with our Distributors, where applicable;
- by such other mode of payment that we and/or the relevant authorities approve from time to time. Any charges, fees and expenses incurred in facilitating such mode of payment shall be borne by you. Such mode of payment is subject to further limit(s), restriction(s) and/or terms and conditions that we and/or the relevant authorities may impose from time to time.

4.4.3. Regular Savings Plan ("RSP")

RSP may be made available for certain Class. Please refer to the Annexure of the respective Class for further information. Where available, the RSP allows you to make the regular monthly investments, direct from your account held with a bank approved by us or our Distributors. We will process the monthly investments made via the RSP when we receive your application and/or your monthly contribution. You can also arrange a standing instruction with our Distributors to invest a pre-determined amount in the Class each month. You can cancel your RSP at any time by providing written instructions to the relevant Distributors.

4.4.4. Can the units be registered in the name of more than one (1) Unit holder?

We may register units in the name of more than one (1) Unit holder but we have the discretion not to allow registration of more than two (2) joint Unit holders. All applicants must be at least eighteen (18) years of age and are Sophisticated Investor.

In the event of the demise of a joint Unit holder, whether Muslim or non-Muslim, only the surviving joint Unit holder will be recognized as the rightful owner. His/her units will be dealt with in accordance with the Deed and applicable laws and regulations.

You are advised not to make payment in cash to any individual agent when purchasing units of a fund.

Please take note that if your investments are made through an IUTA via a nominee system of ownership, you would not be deemed as a Unit holder under the Deed and as a result, may not exercise all the rights ordinarily conferred to a Unit holder (e.g. the right to call for Unit holders' meetings and the right to vote at a Unit holders' meeting).

4.5. MINIMUM INVESTMENTS

The minimum initial and additional investment in each Class may differ and may be determined by us from time to time. Please refer to the Annexure of the respective Class for further information.

4.5.1. Processing an application

If we receive a complete application by 4:00 p.m. on a Business Day, we will process it using the NAV per unit for that Business Day. If we receive the application after 4:00 p.m., we will process it using the NAV per unit for the next Business Day. We will only process the completed applications with all the necessary information. The number of units that you receive will be rounded down to two (2) decimal places.

4.6. MINIMUM WITHDRAWALS

The minimum withdrawal amount in each Class may differ and may be determined by us from time to time, unless you are withdrawing your entire investment. Please refer to the Annexure of the respective Class for further information. You may withdraw by completing a withdrawal form and sending it to the relevant Distributor or our head office. There is no restriction on the frequency of withdrawals. We will transfer the withdrawal proceeds to your bank account (foreign currency bank account, as the case may be) provided by you. If we wish to increase the minimum withdrawal amount, we will consult with the Trustee beforehand and such adjustment will be communicated to you before implementation.

4.6.1. Processing a withdrawal

If we receive a completed withdrawal request by 4:00 p.m. on a Business day, we will process it using the NAV per Unit for that Business Day. If we receive the withdrawal request after 4:00 p.m., we will process it using the NAV per Unit for the next Business Day. The amount that you will receive is calculated by the withdrawal value less the Withdrawal Fee, if any. Under normal circumstances, you will be paid in the currency of the Class (e.g. Class USD will be paid in USD) within ten (10) days upon receipt of the complete withdrawal request. You will have to bear the applicable bank fees and charges, if any.

You should note that the time taken to pay the redemption proceeds to you (i.e. 10 days) may be extended/delayed if:

- (i) The Target Fund is suspended*;
- (ii) The redemption request of the Target Fund is deferred; or
- (iii) There are any unforeseen circumstances that caused a delay in us receiving redemption proceeds, subject to concurrence from Trustee.

Should any of the above events occur, we may not be able to pay the redemption proceeds to you within 10 (ten) days. However, we will pay the redemption proceeds to you within 10 (ten) days subsequent to the receipt of redemption proceeds.

* During the period when the Target Fund is suspended, the Target Fund manager will not accept any subscriptions and/or redemptions and the calculation of the Target Fund's net asset value will be suspended.

Please refer to page 10 for more information on restrictions, suspension and deferral on redemptions of the Target Fund. If in doubt, please consult your professional advisers.

4.7. MINIMUM BALANCE

The minimum balance that must be retained in your account for each Class may differ and may be determined by us from time to time. Please refer to Annexure of the respective Class for further information. If the balance (i.e. number of units) of an investment drops below the minimum balance units, further investment will be required until the balance of the investment is restored to at least the stipulated minimum balance. Otherwise, we may withdraw your entire investment and forward the proceeds to you.

4.8. SWITCHING

Switching is available between the Classes of the Fund or between a Class and other Principal Malaysia's fund (or its classes), which should be denominated in the same currency. You may contact our Customer Care Centre at (03) 7718 3000 for more information on the availability of switching. Please also refer to the Annexure of the respective Class for further information.

To switch, simply complete a switch request form and send to any branch of any Distributors or our head office. Currently, there is no restriction on the frequency of switches. However, we have the discretion to allow or to reject any switching into (or out of) the Fund or Class, either generally (for all Sophisticated Investor) or specifically (for any particular Sophisticated Investor, a group of Sophisticated Investors or investments made via any digital platform).

4.8.1. Processing a switch

We process a switch as a withdrawal from one fund or class and an investment into another fund or class within Principal Malaysia's fund. If we receive a complete switch request by 4:00 p.m. on a Business Day, we will process the switch-out using the NAV per unit for that Business Day. If we receive the request after 4:00 p.m., the switch-out will be processed using the NAV per unit for the next Business Day.

However, you should note that the switch-in may be processed at a later Business Day, generally within one (1) to four (4) Business Days.

4.9. TRANSFER FACILITY

You are allowed to transfer your holdings to an eligible Sophisticated Investor subject to such terms and conditions stipulated in the Deed. However, we may refuse to register any transfer of unit at our absolute discretion. You may be subjected to Transfer Fee for each transfer. Please refer to the Annexure of the respective Class for further information.

4.10. COOLING-OFF PERIOD

You have six (6) Business Days after your initial investment (i.e. from the date the application form is received and accepted by us or any of our Distributors) to reconsider the appropriateness and suitability for your investment needs. Within this period, you may withdraw your investment at the NAV per Unit on the day the units were first purchased. We will refund the investment amount including the Application Fee (if any) to you in the currency of the respective Class within ten (10) days from the date we receive the complete documentations. Please note that the cooling-off right is only given to first time investor investing with us or our Distributors. However, Principal Malaysia's staff and person(s) registered to deal in unit trust of Principal Malaysia or any of our Distributors are not entitled to the cooling-off right.

4.11. TEMPORARY SUSPENSION

We and the Trustee may temporarily suspend the dealing in units of the Class or Fund, subject to the requirement in the SC Guidelines and/or the Deed. Please note that during the suspension period, there will be no NAV per unit available and hence, we will not accept any transactions for the applications, withdrawals, switches and/or transfers of units. If we have earlier accepted your request for withdrawals and switches of units, please note that there may be delay in processing those transactions and you will be notified accordingly. You will also be notified once the suspension is lifted.

4.12. DISTRIBUTION PAYMENT

Depending on the distribution policy of the respective Class, distribution (if any) will be made at the end of each distribution period to the Classes according to its distribution policy. Each unit of the Class will receive the same distribution for a distribution period regardless of when those units were purchased. The distribution amount you will receive is in turn calculated by multiplying the total number of units held by you in the Class by the cent per unit distribution amount. Once a distribution has been paid, the unit price will adjust accordingly. For more information on the distribution policy of each Class, please see Annexure of the respective Class.

All distributions (if any) will be automatically reinvested into additional units in the Class at the NAV per Unit of the Class on the distribution date (the number of units is rounded to two decimal places), unless written instructions to the contrary are communicated to us, in which you should have first furnished us with details of your bank account in the currency denomination of that Class, that all distribution payment shall be paid into (the cost and expense will be borne by you). 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 Class, those additional units will then be withdrawn and the proceeds will be paid to you.

You should note that distribution payments, if any, will be made in the respective currency for that Class(es). As such, the distribution amount may be different for each Class as a result of exchange rate movement between the base currency of the Fund and the denominated currency of each Class(es). The distribution will be paid into your bank account (which shall be in the respective currency of that Class(es)) in our records (at your cost and expense).

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

4.13. UNCLAIMED MONEYS

Any moneys payable to you which remain unclaimed after twelve (12) months as prescribed by Unclaimed Moneys Act, 1965 ("UMA"), as may be amended from time to time, will be surrendered to the Registrar of Unclaimed Moneys by us in accordance with the requirements of the UMA. Thereafter, all claims need to be made by you with the Registrar of Unclaimed Moneys.

However, for income distribution payout to you by cheque, if any, which remain unclaimed for six (6) months will be reinvested into the Class within thirty (30) Business Days after the expiry of the cheque's validity period based on the prevailing NAV per unit on the day of the reinvestment in circumstances where you still hold units of the Class. As for income distribution payout by bank transfer, if any, shall be transmitted to your valid and active bank account. If the bank transfer remained unsuccessful

and unclaimed for six (6) months, it will be reinvested into the Class within thirty (30) Business Days after the six (6) months period based on the prevailing NAV per unit on the day of the reinvestment in circumstances where you still hold units of the Class. No Application Fee is payable for the reinvestment. In the event that you no longer hold any unit in the Class, the distribution money would be subject to the treatment mentioned in the above paragraph as prescribed by the UMA.

Unit prices and distributions payable, if any, may go down as well as up.

We have the discretion to amend the amount, rate and/or terms and conditions of the transaction information herein, subject to the requirements stipulated in the Deed. Where necessary, we will notify the Trustee and communicate to you on the amendments to the transaction information.

5. ADDITIONAL INFORMATION

5.1. FINANCIAL YEAR-END

31 October.

5.2. INFORMATION ON INVESTMENT

We will send you the following:

- Monthly statement of your account showing details of transactions and distributions (if any); and
- Quarterly report and annual report showing snapshots of the Fund and details of the portfolio for the respective period reported. Both the quarterly report and the annual report will be sent to you within two (2) months of the end of the period reported.

The Fund's annual report is available upon request.

Please take note that if your investments are made through an IUTA via a nominee system of ownership, you would not be deemed to be a Unit holder under the Deed. As such, you may obtain the above information from the respective IUTA.

5.3. TERMINATION OF FUND AND/OR ANY OF THE CLASSES

The Fund and/or any of the Classes shall be terminated by the us if a Special Resolution is passed at a Unit holders' meeting to terminate and wind-up the Fund and/or any of the Classes.

5.4. RIGHTS AND LIABILITIES OF A UNIT HOLDER

The money you have invested in the Fund will purchase a certain number of units, which represents your interest in the Fund. Each unit held by you in the Fund represents an equal undivided beneficial interest in the assets of the Fund. However, the unit does not give you an interest in any particular part of the Fund or a right to participate in the management or operation of the Fund (other than through Unit holders' meetings).

You will be recognised as a registered Unit holder in the Fund on the Business Day the details are entered onto the register of Unit holders.

Please take note that if your investments are made through IUTA via a nominee system of ownership, you would not be deemed to be a Unit holder under the Deed and as a result, may not exercise all the rights ordinarily conferred to a Unit holder (e.g. the right to call for Unit holders' meetings and the right to vote at a Unit holders' meeting).

Rights of Unit holders

You have the right, among others, to the following:

- To inspect the register, free of charge, at any time at our registered office, and obtain such information pertaining to its units as permitted under the Deed and SC Guidelines;
- To receive the distribution of the Fund (if any), participate in any increase in the value of the units and to other rights and privileges as set out in the Deed;
- To call for Unit holders' meetings under the following circumstances:
 - (i) to consider the most recent audited financial statements of the Fund;
 - (ii) to require the retirement or removal of the Manager or the Trustee;
 - (iii) to give to the Trustee such directions as the meeting thinks proper; or
 - (iv) to consider any other matter in relation to the Deed.
- To vote for the removal of the Trustee or the Manager through a special resolution; and
- To receive annual and quarterly reports of the Fund.

Your rights may be varied by changes to the Deed, the SC Guidelines or judicial decisions or interpretation.

Liabilities and limitations of Unit holders

Liabilities

- (i) Your liability is limited to the purchase price per unit and Application Fee (if any) paid or agreed to be paid for a unit. You need not indemnify the Trustee or the Manager in the event that the liabilities incurred by the Manager and/or the Trustee in the name of or on behalf of the Fund pursuant to and/or in the performance of the provisions of the Deed exceed the value of the assets of the Fund.
- (ii) Any right of indemnity of the Manager and/or the Trustee shall be limited to recourse to the Fund.

Limitations

You cannot:

- (i) interfere with or question the exercise by the Trustee, or the Manager on its behalf, of the rights of the Trustee as the registered owner of the assets of the Fund;
- (ii) claim any interest in the asset of the Fund; or
- (iii) require the asset of the Fund to be transferred to you.

You may refer to the Deed for full details of your rights.

5.5. DOCUMENTS AVAILABLE FOR INSPECTION

You may inspect the following documents or copies thereof in relation to the Fund (upon request) at our principal place of business and/or the business address of the Trustee (where applicable) without charge:

- The Deed;
- Information Memorandum and supplementary or replacement information memorandum, if any;
- The latest annual and interim reports of the Fund;
- Material contracts or documents disclosed in this Information Memorandum;
- The audited financial statements of the Manager and the Fund (where applicable) for the current financial year and for the last three (3) financials years or if less than three (3) years, from the date of incorporation or commencement; and
- The Target Fund’s prospectus dated 2 July 2019 including any supplemental prospectus or replacement prospectus, as the case may be.

5.6. POTENTIAL CONFLICTS OF INTERESTS AND RELATED-PARTY TRANSACTIONS

We (including our directors) will at all times act in your best interests and will not conduct itself 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 so that the Fund is not disadvantaged. In the unlikely event that we face conflicts in respect of our duties as Manager to the Fund and other Principal Malaysia’s funds that we manage, we are obliged to act in the best interests of all our investors and will seek to resolve any conflicts fairly and in accordance with the Deed.

We shall not act as principals 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.

As at LPD, none of our directors and substantial shareholders has either direct or indirect interest in other corporations that carry on a similar business with Principal Malaysia, except for the following:

Director / Shareholder	Position	Shareholding (Direct / Indirect)	Name of corporation
CIMB Group Sdn Bhd	Shareholder	Direct	Principal Islamic Asset Management Sdn Bhd <i>(formerly known as CIMB-Principal Islamic Asset Management Sdn Bhd)</i>
		Indirect	CIMB-Mapletree Management Sdn Bhd *

Note: *As at LPD, CIMB-Mapletree Management Sdn. Bhd. has passed a special resolution on 9 May 2019 of which CIMB-Mapletree Management Sdn. Bhd. be wound up as a members’ voluntary liquidation and a liquidator be appointed.

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 the CIMB Group and the Principal Financial Group provided that the transactions are effected at market prices and are conducted at arm’s lengths.

We generally discourage cross trades and prohibit any transactions between client(s) accounts and fund accounts. Any cross trade activity require prior approval with the relevant supporting justification(s) to ensure the trades are executed in the best interest of both funds and such transactions were executed at arm’s length. Cross trades will be reported to the Investment Committee to ensure compliance to the relevant regulatory requirements.

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 and service provider (e.g. placement of monies, structured products, etc);
- 2) where the Fund is being distributed by the related party of the Trustee and service provider as IUTA;
- 3) where the assets of the Fund are being custodised by the related party of the Trustee both as sub-custodian and/or global custodian of the Fund (Trustee's delegate); and
- 4) where the Fund obtains financing from the related party of the Trustee and service provider.

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

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.

5.7. INTERESTS IN THE FUND

Subject to any legal requirement, we or any of our related corporation, or any of our officers or directors, may invest in the Fund. Our directors will receive no payments from the Fund other than distributions that they may receive as a result of investment in the Fund. No fees other than the ones set out in this Information Memorandum have been paid to any promoter of the Fund, or the Trustee (either to become a Trustee or for other services in connection with the Fund), or us for any purpose.

5.8. EMPLOYEES' SECURITIES DEALINGS

We have in place a policy contained in our Rules of Business Conduct, which regulates our employees' securities dealings. All of our employees are required to declare their securities trading annually to ensure that there is no potential conflict of interest between the employees' securities trading and the execution of the employees' duties to us and our customers.

6. THE MANAGER

6.1. ABOUT PRINCIPAL ASSET MANAGEMENT BERHAD

Principal Malaysia holds a Capital Markets Services License for fund management and dealing in securities restricted to unit trust under the CMSA and specialises 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. It originally commenced its operations as a unit trust company in November 1995. As at LPD, Principal Malaysia has more than 23 years of experience in the unit trust industry. The shareholders of the company are PIA and CIMB Group.

PIA is a private company incorporated in Hong Kong and its principal activity is the provision of consultancy services to other PFG group of companies. PIA is a subsidiary of the PFG, which was established in 1879 and is a diversified global financial services group servicing more than 15 million customers.

CIMB Group is one of ASEAN's leading universal banking groups and is Malaysia's second largest financial services provider, by assets. It offers consumer banking, commercial banking, investment banking, Islamic banking and asset management products and services. Headquartered in Kuala Lumpur, CIMB Group is present in all 10 ASEAN nations and has market presence in China, Hong Kong SAR, India, Sri Lanka, Korea, US and UK. CIMB Group is listed on Bursa Malaysia and has a market capitalisation of approximately RM54.6 billion, around 36,000 employees and around 800 branches, as at 31 December 2018.

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 repurchase of units;
- calculating the amount of income to be distributed to Unit holders, if any; and
- maintaining proper records of the Fund.

As at LPD, there is no litigation or arbitration proceedings current, pending or threatened against or initiated by Principal Malaysia nor are there any facts likely to give rise to any proceedings which might materially affect the business/financial position of Principal Malaysia.

6.1.1. Designated person for fund management function

Name:	Patrick Chang Chian Ping
Designation:	Chief Investment Officer (CIO), Malaysia & Chief Investment Officer, Equities, ASEAN Region
Experience:	Patrick Chang joined Principal Malaysia on 22 February 2016 and currently holds the positions of CIO, Malaysia and CIO Equities, ASEAN Region effective 1 October 2018. He comes with more than 18 years of experience in asset management. He was previously the Head of ASEAN equities at BNP Paribas Investment Partners, Malaysia where he oversees ASEAN equities for both Malaysian and offshore clients from 2012. Prior to that, he served as Senior Vice President for Principal Malaysia where he specialized in Malaysia, ASEAN and Asia specialist funds. He also worked as a portfolio manager at Riggs and Co International Private Banking in London specializing in managing global ETF portfolios and holds the Capital Markets Services Representative License.
Qualifications:	MSc Finance from City University Business School and BSc Accounting and Financial Analysis from University of Warwick, UK.

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

7. THE TRUSTEE

7.1. ABOUT HSBC (MALAYSIA) TRUSTEE BERHAD

HSBC (Malaysia) Trustee Berhad (193701000084 (1281-T)) 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 13th Floor, Bangunan HSBC, South Tower, No. 2, Leboh Ampang, 50100 Kuala Lumpur. Since 1993, the Trustee has acquired experience in the administration of trusts and has been appointed as trustee for unit trust funds, exchange traded funds, wholesale funds and funds under private retirement scheme.

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, Capital Markets and Services Act 2007 and the SC Guidelines. 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, Capital Markets and Services Act 2007 and the SC Guidelines. In respect of moneys paid by an investor for the application of units, **the Trustee's responsibility** arises when the moneys 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.

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 for purposes of performing its duties and obligations in accordance to the Deed, the Capital Markets and Services Act 2007, SC Guidelines 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.

7.1.1. Trustee's Delegate

The Trustee has appointed the Hongkong and Shanghai Banking Corporation Ltd as the 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 their nominee company, HSBC Nominees (Tempatan) Sdn Bhd and/or HSBC Bank Malaysia Berhad. 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.

7.1.2. Trustee's Disclosure of Material Litigation

As at LPD, 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 any proceedings which might materially affect the business/financial position of Trustee and any of the Trustees or any of its delegates.

7.1.3. 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 this Deed in relation to the Fund. 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.

Note: We have obtained the necessary consent and confirmation from each of the relevant parties with regards to the information disclosed in this section.

ANNEXURE – CLASS USD

This section is only a summary of the salient information about Class USD. You should read and understand the entire Information Memorandum before investing and keep the Information Memorandum for your records. In determining which investment is right for you, we recommend you speak to professional advisers. Principal Malaysia, member companies of PFG, CIMB Group and the Trustee do not guarantee the repayment of capital.

CLASS INFORMATION

Class USD		Page
Currency denomination	USD	
Distribution policy	Quarterly, depending on the availability of realised income and/or realised gains and at our discretion. We have the right to make provisions for reserves in respect of distribution of the Class. If the income available is too small or insignificant, any distribution may not be of benefit to you as the total cost to be incurred in any such distribution may be higher than the amount for distribution. We have the discretion to decide on the amount to be distributed to you. We also have the discretion to make income distribution on an ad-hoc basis, taking into consideration the level of its realised income and/or realised gains, as well as the performance of the Fund.	23

FEES & CHARGES

This table describes the charges that you may directly incur when you buy or withdraw units.

Charges	Class USD	Page
Application Fee	Up to 3.50% of the NAV per Unit	14
Withdrawal Fee	Nil.	14
Switching Fee	Switching is treated as a withdrawal from the Class and an investment into another Class or Principal Malaysia's fund (or its class). As such, you may be charged a Switching Fee equal to the difference (if any) between the Application Fee of the Class and the Application Fee of the other Class or Principal Malaysia's fund (or its class). Switching Fee will not be charged if the Class or Principal Malaysia's fund (or its class) to be switched into has a lower Application Fee. In addition, we may impose a USD35 administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fees. We also have the discretion to waive the Switching Fee and/or administrative fees.	14
Transfer Fee	A maximum of USD15 may be charged for each transfer.	14
Other charges payable directly by you when purchasing or withdrawing the units	Any applicable bank charges and other bank fees incurred as a result of an investment or withdrawal will be borne by you.	

All fees and charges payable by you are subject to any applicable taxes and/or duties as may be imposed by the government or other authorities (if any) from time to time. As a result of changes in any rule, regulation, directive, notice and/or law issued by the government or relevant authority, there may be additional cost to the fees, expenses, charges and/or taxes payable to and/or by the Fund or you as disclosed or illustrated in the Information Memorandum.

This table describes the charges that you may indirectly incur when you invest in the Class.

Charges	Class USD	Page
Management Fee	Up to 1.50% per annum of the NAV of the Class.	14
Trustee Fee	Up to 0.04% per annum of the NAV of the Fund (including local custodian fees and charges but excluding foreign sub-custodian fees and charges).	15
Fund Expenses	Only expenses that are directly related to the Fund can be charged to the Fund. Examples of relevant expenses are audit fee and tax agent's fee.	16
Other fees payable indirectly by an investor when investing in the Fund	Other fees indirectly incurred by a feeder fund such as dilution adjustment, annual custodian fees and transaction fees of the Target Fund. As such, you are indirectly bearing the dilution adjustment, custodian fees and transaction fees charged at the Target Fund level.	15

Note: Despite the maximum Application Fee disclosed above, you may negotiate with us or our Distributors for lower fee or 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 Sophisticated Investors) or specifically (for any particular Sophisticated Investor, a group of Sophisticated Investors or investments made via any digital platform) without prior notice to you.

We may, for any reason at any time, where applicable, waive or reduce the amount of any fees (except the Trustee Fee) or other charges payable by you in respect of the Fund, either generally (for all Sophisticated Investors) or specifically (for any particular Sophisticated Investor, a group of Sophisticated Investors or investments made via any digital platform) and for any period or periods of time at our absolute discretion.

All fees and charges payable by the Fund are subject to any applicable taxes and/or duties as may be imposed by the government or other authorities (if any) from time to time. As a result of changes in any rule, regulation, directive, notice and/or law issued by the government or relevant authority, there may be additional cost to the fees, expenses, charges and/or taxes payable to and/or by the Fund or you as disclosed or illustrated in the Information Memorandum.

We have the discretion to amend the amount, rate and/or terms and conditions for the above-mentioned fees and charges from time to time, subject to the requirements stipulated in the Deed. Where necessary, we will notify the Trustee and communicate to you or seek your approval on the amendments to the fees and charges.

TRANSACTION INFORMATION

	Class USD	Page
Minimum initial investment	USD 5,000 or such other amount as we may decide from time to time.	21
Minimum additional investment	USD 2,000 or such other amount as we may decide from time to time.	21
Minimum withdrawal	5,000 units or such other amount as we may decide from time to time.	22
Minimum balance	5,000 units or such other amount as we may decide from time to time.	22
Regular Savings Plan	Currently, RSP is not available for this Class.	21
Switching	Switching will be conducted based on the value of your investment in the Class. The minimum amount for a switch is subject to: <ul style="list-style-type: none"> ▪ for switching out of the Class: <ul style="list-style-type: none"> ○ the minimum withdrawal applicable to the Class; ○ the minimum balance required (after the switch) for the Class, unless you are withdrawing from the Class in entirety; and ○ the Withdrawal Fee of the Class (if any); ▪ for switching into the Class: <ul style="list-style-type: none"> ○ the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Class; and ○ the Switching Fee applicable for the proposed switch (if any). <p>You may negotiate to lower the amount for your switch with us or our Distributors.</p>	22
Transfer facility	We may, at our absolute discretion, allow or refuse transfer of units subject to such terms and conditions as may be stipulated in the Deed.	23
Cooling-off period	Six (6) Business Days from the date the complete application form is received and accepted by us or Distributors from the first time investor. However, Principal Malaysia's staff and person(s) registered to deal in unit trust of Principal Malaysia or any Distributors are not entitled to the cooling-off right.	23

Note: You may request for a lower amount or number of units when purchasing units (or additional units) or withdrawing units, which will be at our sole and absolute discretion. However, you should note that we may, for any reason at any time, where applicable, accept or reject a lower the amount or number of units and without having to assign any reason, either generally (for all Sophisticated Investors) or specifically (for any particular Sophisticated Investor, a group of Sophisticated Investors or investments made via any digital platform) without prior notice to you. We may also, for any reason at any time, where applicable, reduce the minimum balance, either generally (for all Sophisticated Investors) or specifically (for any particular Sophisticated Investor, a group of Sophisticated investors or investments made via any digital platform) without prior notice to you. For increase in the number of units for minimum withdrawal and minimum balance, we will require concurrence from the Trustee and you will be notified of such changes before implementation.

There are fees and charges involved and you are advised to consider them before investing in the Fund.

We have the discretion to amend the amount, rate and/or terms and conditions of the transaction information herein, subject to the requirements stipulated in the Deed. Where necessary, we will notify the Trustee and communicate to you on the amendments to the transaction information.

ANNEXURE – CLASS MYR

This section is only a summary of the salient information about Class MYR. You should read and understand the entire Information Memorandum before investing and keep the Information Memorandum for your records. In determining which investment is right for you, we recommend you speak to professional advisers. Principal Malaysia, member companies of PFG, CIMB Group and the Trustee do not guarantee the repayment of capital.

CLASS INFORMATION

Class MYR		Page
Currency denomination	MYR	
Distribution policy	Quarterly, depending on the availability of realised income and/or realised gains and at our discretion. We have the right to make provisions for reserves in respect of distribution of the Class. If the income available is too small or insignificant, any distribution may not be of benefit to you as the total cost to be incurred in any such distribution may be higher than the amount for distribution. We have the discretion to decide on the amount to be distributed to you. We also have the discretion to make income distribution on an ad-hoc basis, taking into consideration the level of its realised income and/or realised gains, as well as the performance of the Fund.	23

FEES & CHARGES

This table describes the charges that you may directly incur when you buy or redeem units.

Charges	Class MYR	Page
Application Fee	Up to 3.50% of the NAV per Unit	14
Withdrawal Fee	Nil.	14
Switching Fee	Switching is treated as a withdrawal from the Class and an investment into another Class or Principal Malaysia's fund (or its class). As such, you may be charged a Switching Fee equal to the difference (if any) between the Application Fee of the Class and the Application Fee of the other Class or Principal Malaysia's fund (or its class). Switching Fee will not be charged if the Class or Principal Malaysia's fund (or its class) to be switched into has a lower Application Fee. In addition, we may impose RM100 administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fees with us or our Distributors. We also have the discretion to waive the Switching Fee and/or administrative fees.	14
Transfer Fee	A maximum of RM50 may be charged for each transfer.	14
Other charges payable directly by the investor when purchasing or redeeming the units	Any applicable bank charges and other bank fees incurred as a result of an investment or withdrawal will be borne by you.	

All fees and charges payable by you are subject to any applicable taxes and/or duties as may be imposed by the government or other authorities (if any) from time to time. As a result of changes in any rule, regulation, directive, notice and/or law issued by the government or relevant authority, there may be additional cost to the fees, expenses, charges and/or taxes payable to and/or by the Fund or you as disclosed or illustrated in the Information Memorandum.

This table describes the charges that you may indirectly incur when you invest in the Class.

Charges	Class MYR	Page
Management Fee	Up to 1.50% per annum of the Class.	14
Trustee Fee	Up to 0.04% per annum of the NAV of the Fund (including local custodian fees and charges but excluding foreign sub-custodian fees and charges).	15
Fund Expenses	Only expenses that are directly related to the Fund can be charged to the Fund. Examples of relevant expenses are audit fee and tax agent's fee.	16
Other fees payable indirectly by you when investing in the Fund	Other fees indirectly incurred by a feeder fund such as dilution adjustment, annual custodian fees and transaction fees of the Target Fund. As such, you are indirectly bearing the dilution adjustment, custodian fees and transaction fees charged at the Target Fund level.	15

Note: Despite the maximum Application Fee disclosed above, you may negotiate with us or our Distributors for lower fee or 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 Sophisticated Investors) or specifically (for any particular Sophisticated Investor, a group of Sophisticated Investors or investments made via any digital platform) without prior notice to you.

We may, for any reason at any time, where applicable, waive or reduce the amount of any fees (except the Trustee Fee) or other charges payable by you in respect of the Fund, either generally (for all Sophisticated Investors) or specifically (for any particular Sophisticated Investor, a group of Sophisticated Investors or investments made via any digital platform) and for any period or periods of time at our absolute discretion.

All fees and charges payable by the Fund are subject to any applicable taxes and/or duties as may be imposed by the government or other authorities (if any) from time to time. As a result of changes in any rule, regulation, directive, notice and/or law issued by the government or relevant authority, there may be additional cost to the fees, expenses, charges and/or taxes payable to and/or by the Fund or you as disclosed or illustrated in the Information Memorandum.

We have the discretion to amend the amount, rate and/or terms and conditions for the above-mentioned fees and charges from time to time, subject to the requirements stipulated in the Deed. Where necessary, we will notify the Trustee and communicate to you or seek your approval on the amendments to the fees and charges.

TRANSACTION INFORMATION

	Class MYR	Page
Minimum initial investment	RM 5,000 or such other amount as we may decide from time to time.	21
Minimum additional investment	RM 2,000 or such other amount as we may decide from time to time.	21
Minimum withdrawal	5,000 units or such other amount as we may decide from time to time.	22
Minimum balance	5,000 units or such other amount as we may decide from time to time.	22
Regular Savings Plan	RSP is available. It allows you to make regular monthly investments of RM 500 or more, direct from your account held with a bank approved by us or our Distributors. The minimum initial investment for the RSP is RM 5,000 or such other amount as we may decide from time to time.	
Switching	Switching will be conducted based on the value of your investment in the Class. The minimum amount for a switch is subject to: <ul style="list-style-type: none"> ▪ for switching out of the Class: <ul style="list-style-type: none"> ○ the minimum withdrawal applicable to the Class; ○ the minimum balance required (after the switch) for the Class, unless you are withdrawing from the Class in entirety; and ○ the Withdrawal Fee of the Class (if any); ▪ for switching into the Class: <ul style="list-style-type: none"> ○ the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Class; and ○ the Switching Fee applicable for the proposed switch (if any). <p>You may negotiate to lower the amount for your switch with us or our Distributors.</p>	22
Transfer facility	We may, at our absolute discretion, allow or refuse transfer of units subject to such terms and conditions as may be stipulated in the Deed.	23
Cooling-off period	Six (6) Business Days from the date the complete application form is received and accepted by us or Distributors from the first time investor. However, Principal Malaysia's staff and person(s) registered to deal in unit trust of Principal Malaysia or any Distributors are not entitled to the cooling-off right.	23

Note: You may request for a lower amount or number of units when purchasing units (or additional units) or withdrawing units, which will be at our sole and absolute discretion. However, you should note that we may, for any reason at any time, where applicable, accept or reject a lower the amount or number of units and without having to assign any reason, either generally (for all Sophisticated Investors) or specifically (for any particular Sophisticated Investor, a group of Sophisticated Investors or investments made via any digital platform) without prior notice to you. We may also, for any reason at any time, where applicable, reduce the minimum balance, either generally (for all Sophisticated Investors) or specifically (for any particular Sophisticated Investor, a group of Sophisticated investors or investments made via any digital platform) without prior notice to you. For increase in the number of units for minimum withdrawal and minimum balance, we will require concurrence from the Trustee and you will be notified of such changes before implementation.

There are fees and charges involved and you are advised to consider them before investing in the Fund.

We have the discretion to amend the amount, rate and/or terms and conditions of the transaction information herein, subject to the requirements stipulated in the Deed. Where necessary, we will notify the Trustee and communicate to you on the amendments to the transaction information.

ANNEXURE – CLASS MYR-HEDGED

This section is only a summary of the salient information about Class MYR-Hedged. You should read and understand the entire Information Memorandum before investing and keep the Information Memorandum for your records. In determining which investment is right for you, we recommend you speak to professional advisers. Principal Malaysia, member companies of PFG, CIMB Group and the Trustee do not guarantee the repayment of capital.

CLASS INFORMATION

Class MYR-Hedged		Page
Currency denomination	MYR	
Distribution policy	Quarterly, depending on the availability of realised income and/or realised gains and at our discretion. We have the right to make provisions for reserves in respect of distribution of the Class. If the income available is too small or insignificant, any distribution may not be of benefit to you as the total cost to be incurred in any such distribution may be higher than the amount for distribution. We have the discretion to decide on the amount to be distributed to you. We also have the discretion to make income distribution on an ad-hoc basis, taking into consideration the level of its realised income and/or realised gains, as well as the performance of the Fund.	23

FEES & CHARGES

This table describes the charges that you may directly incur when you buy or redeem units.

Charges	Class MYR-Hedged	Page
Application Fee	Up to 3.50% of the NAV per Unit	14
Withdrawal Fee	Nil.	14
Switching Fee	Switching is treated as a withdrawal from the Class and an investment into another Class or Principal Malaysia's fund (or its class). As such, you may be charged a Switching Fee equal to the difference (if any) between the Application Fee of the Class and the Application Fee of the other Class or Principal Malaysia's fund (or its class). Switching Fee will not be charged if the Class or Principal Malaysia's fund (or its class) to be switched into has a lower Application Fee. In addition, we may impose RM100 administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fees with us or our Distributors. We also have the discretion to waive the Switching Fee and/or administrative fees.	14
Transfer Fee	A maximum of RM50 may be charged for each transfer.	14
Other charges payable directly by the investor when purchasing or redeeming the units	Any applicable bank charges and other bank fees incurred as a result of an investment or redemption will be borne by the investor.	

All fees and charges payable by you are subject to any applicable taxes and/or duties as may be imposed by the government or other authorities (if any) from time to time. As a result of changes in any rule, regulation, directive, notice and/or law issued by the government or relevant authority, there may be additional cost to the fees, expenses, charges and/or taxes payable to and/or by the Fund or you as disclosed or illustrated in the Information Memorandum.

This table describes the charges that you may indirectly incur when you invest in the Class.

Charges	Class MYR-Hedged	Page
Management Fee	Up to 1.50% per annum of the Class.	14
Trustee Fee	Up to 0.04% per annum of the NAV of the Fund (including local custodian fees and charges but excluding foreign sub-custodian fees and charges).	15
Fund Expenses	Only expenses that are directly related to the Fund can be charged to the Fund. Examples of relevant expenses are audit fee and tax agent's fee .	16
Other fees payable indirectly by an investor when investing in the Fund	Other fees indirectly incurred by a feeder fund such as dilution adjustment, annual custodian fees and transaction fees of the Target Fund. As such, Unit holders are indirectly bearing the dilution adjustment, custodian fees and transaction fees charged at the Target Fund level.	15

Note: Despite the maximum Application Fee disclosed above, you may negotiate with us or our Distributors for lower fee or 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 Sophisticated Investors) or specifically (for any particular Sophisticated Investor, a group of Sophisticated Investors or investments made via any digital platform) without prior notice to you.

We may, for any reason at any time, where applicable, waive or reduce the amount of any fees (except the Trustee Fee) or other charges payable by you in respect of the Fund, either generally (for all Sophisticated Investors) or specifically (for any particular Sophisticated Investor, a group of Sophisticated Investors or investments made via any digital platform) and for any period or periods of time at our absolute discretion.

TRANSACTION INFORMATION

	Class MYR-Hedged	Page
Minimum initial investment*	RM 5,000 or such other amount as we may decide from time to time.	21
Minimum additional investment*	RM 2,000 or such other amount as we may decide from time to time.	21
Minimum withdrawal	5,000 units or such other amount as we may decide from time to time.	22
Minimum balance	5,000 units or such other amount as we may decide from time to time.	22
Regular Savings Plan	RSP is available. It allows you to make regular monthly investments of RM 500 or more, direct from your account held with a bank approved by us or our Distributors. The minimum initial investment for the RSP is RM 5,000 or such other amount as we may decide from time to time.	
Switching	Switching will be conducted based on the value of your investment in the Class. The minimum amount for a switch is subject to: <ul style="list-style-type: none"> ▪ for switching out of the Class: <ul style="list-style-type: none"> ○ the minimum withdrawal amount applicable to the Class; ○ the minimum balance required (after the switch) for the Class, unless you are withdrawing from the Class in entirety; and ○ the Withdrawal Fee of the Class (if any); ▪ for switching into the Class: <ul style="list-style-type: none"> ○ the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Class; and ○ the Switching Fee applicable for the proposed switch (if any). <p>You may negotiate to lower the amount for your switch with us or our Distributors.</p>	22
Transfer facility	We may, at our absolute discretion, allow or refuse transfer of units subject to such terms and conditions as may be stipulated in the Deed.	23
Cooling-off period	Six (6) Business Days from the date the application form is received and accepted by us or our Distributors from the first time investor. However, Principal Malaysia's staff and person(s) registered to deal in unit trust of Principal Malaysia or any Distributors are not entitled to the cooling-off right.	23

Note: You may request for a lower amount or number of units when purchasing units (or additional units) or withdrawing units, which will be at our sole and absolute discretion. However, you should note that we may, for any reason at any time, where applicable, accept or reject a lower the amount or number of units and without having to assign any reason, either generally (for all Sophisticated Investors) or specifically (for any particular Sophisticated Investor, a group of Sophisticated Investors or investments made via any digital platform) without prior notice to you. We may also, for any reason at any time, where applicable, reduce the minimum balance, either generally (for all Sophisticated Investors) or specifically (for any particular Sophisticated Investor, a group of Sophisticated investors or investments made via any digital platform) without prior notice to you. For increase in the number of units for minimum withdrawal and minimum balance, we will require concurrence from the Trustee and you will be notified of such changes before implementation.

There are fees and charges involved and you are advised to consider them before investing in the Fund.

We have the discretion to amend the amount, rate and/or terms and conditions of the transaction information herein, subject to the requirements stipulated in the Deed. Where necessary, we will notify the Trustee and communicate to you on the amendments to the transaction information.

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Principal Asset Management Berhad (304078-K)
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