

Information Memorandum

13 September 2021

Principal Global Sustainable Growth Fund

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

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

This Information Memorandum is dated 13 September 2021 for the Principal Global Sustainable Growth Fund.

The Fund was constituted on 28 July 2021.

THIS FUND IS A QUALIFIED SUSTAINABLE AND RESPONSIBLE INVESTMENT FUND UNDER THE GUIDELINES ON SUSTAINABLE AND RESPONSIBLE INVESTMENT FUNDS.

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

THE FUND IS 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 Malaysia and the Principal Global Sustainable Growth 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 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 information in this Information Memorandum or would like to know more about investing in the Principal Malaysia family of unit trust funds, please contact our Customer Care Centre during business hour at (603) 7718 3000 between 8:45 a.m. and 5:45 p.m. (Malaysian time) on Mondays to Fridays.

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notices, legislations or statutes for the time being in force, as may be amended, varied, modified, updated, superseded and/or re-enacted from time to time.

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:

Application Fee	- Preliminary charge on each investment.
AUD	- Australian Dollar.
Business Day	- Mondays to Fridays when Bursa Malaysia Securities Berhad is open for trading and excludes Saturdays, Sundays and gazetted public holidays in the Federal Territory of Kuala Lumpur. In respect of the Target Fund, it means a day on which the stock exchange in Luxembourg is open for business. 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 Management Company declares a non-dealing day. This information will be communicated to you via our website at www.principal.com.my .
CIMB Group	- CIMB Group Holdings Bhd.
CIS	- Collective investment scheme.
Class	- Any class of units representing similar interests in the assets of the Fund.
Class AUD-Hedged	- The Class of units issued by the Fund denominated in AUD that aims to minimize the effect of exchange rate fluctuations between the base currency of the Fund (i.e. USD) and AUD.
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 (i.e. USD) and MYR.
Class SGD-Hedged	- The Class of units issued by the Fund denominated in SGD that aims to minimize the effect of exchange rate fluctuations between the base currency of the Fund (i.e. USD) and SGD.
Class USD	- The Class of units issued by the Fund denominated in USD.
CMSA	- Capital Markets and Services Act 2007.
Commencement Date	- The next Business Day immediately following the end of the initial offer period of the respective Class.
Deed	- The principal deed and all 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.
Distributor	- Any relevant persons and bodies appointed by Principal Malaysia from time to time, who are responsible for selling units of the Fund, including Principal Distributors and IUTA.
Fund or GSGF	- Principal Global Sustainable Growth Fund.
GLOLA	- SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.
IMS	- Investment Management Standards issued by the Federation of Investment Managers Malaysia.
Information Memorandum	- Refers to the information memorandum in respect of the Fund and includes any supplemental information memorandum or replacement information memorandum, as the case may be.
IUTA	- Refers to “Institutional Unit Trust Schemes Adviser”, a corporation registered with Federation of Investment Managers Malaysia and authorised to market and distribute unit trust schemes of another party.
LPD	- Latest Practicable Date, i.e. 31 May 2021, 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 us 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. The apportionment is expressed as a ratio and calculated as a percentage.
MYR	- Malaysian Ringgit.
NAV	- Net Asset Value.
NAV of the Class	- The NAV of a Class is the NAV of the Fund attributable to a Class at the same valuation point.
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 and annual Trustee Fee, the NAV of the Fund should be inclusive of the Management Fee and Trustee Fee for the relevant day.
NAV per unit	- The NAV attributable to a Class of units divided by the number of units in circulation for that Class, at the valuation point.
OTC	- Over-the-counter.
PFG	- Principal Financial Group, Inc..
PIAL	- Principal International (Asia) Limited

Principal Malaysia, the Manager, we or us	-	Principal Asset Management Berhad.
RSP	-	Regular Savings Plan.
SC	-	Securities Commission Malaysia.
SFDR	-	Regulation (EU) 2019/2088 of the European parliament and of the council of 27 November 2019 on sustainability-related disclosures in the financial services sector
SGD	-	Singapore Dollar.
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, Schedules 6 and 7 of the CMSA. Note: For more information, please refer to our website at www.principal.com.my for the current excerpts of Part 1, Schedules 6 and 7 of the CMSA.
Special Resolution	-	A resolution passed by a majority of not less than three-fourth (3/4) of the Unit holders of the Fund or a Class, as the case may be, voting at a meeting of Unit holders duly convened and held in accordance with the provisions of the Deed.
Switching Fee	-	A charge that may be levied when switching is done from one fund or class to another.
Target Fund	-	Schroder International Selection Fund Global Sustainable Growth.
Target Fund Company or SISF	-	Schroder International Selection Fund.
Target Fund Investment Manager	-	Schroder Investment Management Limited.
Target Fund Management Company	-	Schroder Investment Management (Europe) S.A..
Target Fund Prospectus	-	Refers to the prospectus in respect of the Target Fund and includes any supplemental prospectus, addendum or replacement prospectus dated May 2021, as the case may be. The Target Fund Prospectus is available for download at www.Schroders.lu .
Transfer Fee	-	A nominal fee levied for each transfer of units from one Unit holder to another.
Trustee	-	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" within the meaning of points a) and b) of Article 1(2) of the UCITS Directive.
UCITS Directive	-	Directive 2009/65/EC of the European parliament and of the council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.
UK	-	United Kingdom.
Unit holder	-	The registered holder for the time being of a unit of any Class including persons jointly registered.
USA	-	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 Penalty	-	A penalty levied upon withdrawal 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 SUSTAINABLE GROWTH FUND

- Fund Category/Type** : Feeder fund/ Growth
- Fund Objective** : The Fund aims to achieve capital appreciation through investments in one (1) collective investment scheme, which invests in securities factoring sustainability criteria.
We will require your approval if there is any material change to the Fund's objective.
- Benchmark** : As this is a feeder fund, the Fund adheres to the benchmark of the Target Fund for performance comparison. The performance comparator of the Target Fund may be found in the Target Fund Prospectus available on the Target Fund's website at www.Schroders.lu. Currently, the performance comparator of the Target Fund is MSCI AC World (Net TR) Index.
** Any changes to the Target Fund's benchmark will be updated in our website and/or the Fund's Product Highlights Sheet.*
- 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 30 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 www.principal.com.my. You should consult your professional advisers for better understanding of the multi-class structure before investing in the Fund.

Initial Offer Period and Initial Offer Price

Name of Class	Launch Date	Initial offer period	Initial offer price per unit
Class AUD-Hedged	13 September 2021	Up to 21 days	AUD 1.0000
Class MYR-Hedged	13 September 2021	Up to 21 days	MYR 1.0000
Class SGD-Hedged	13 September 2021	Up to 21 days	SGD 1.0000
Class USD	13 September 2021	Up to 21 days	USD 1.0000

** We have the discretion to determine the launch date, which shall be the same date as stated above or such other as may be determined by us.*

For more details, you may contact our Customer Care Centre or Distributors; or visit our website at www.principal.com.my.

Investment Policy and Strategy

The Fund is a feeder fund and it invests in a single CIS, i.e. Schroder International Selection Fund Global Sustainable Growth. The Fund may also invest in liquid assets for liquidity purpose.

In order to achieve the Fund's objective, the Fund will invest at least 95% of its NAV in the Target Fund. The Target Fund was established on 23 November 2010 under the Schroder International Selection Fund; a Luxembourg domiciled open-ended investment company. The Fund may also invest up to 5% of its NAV in liquid assets for liquidity purpose.

As the Fund is a qualified sustainable and responsible investment fund, the investments of the Fund will be subject to the Environmental, Social and Governance (ESG) integration methodology in accordance to the United Nations sponsored Principles for Responsible Investment ("UNPRI"), including the selection, retention and realisation of the Fund's investments. The Target Fund Investment Manager applies sustainability criteria when selecting investments for the Target Fund. Companies are assessed and rated against a set of questions covering issues such as respect for the environment, fair and equitable treatment of employees, suppliers and customers, corporate citizenship, capital allocation and governance. The Target Fund maintains a higher overall sustainability score than MSCI AC World (Net TR) index, based on the Target Fund Investment Manager's rating system. The Target Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability Information" on the Target Fund's webpage accessed via www.schroders.com/en/lu/private-investor/gfc. You may refer to page 11 under the "Investment Policy of the Target Fund" for more information. The Target Fund will adopt the Investment Policy under section 2.1. to ensure that the Target Fund's investment are in line with the

sustainability criteria adopted and the overall impact of such investments of the Target Fund is not inconsistent with any other sustainability criteria. If the Target Fund's investment become inconsistent with its Investment Policy, the Target Fund Investment Manager shall dispose of the investment within an appropriate timeframe.

The Fund will be actively rebalanced from time to time to meet sales and withdrawals transactions. This is to enable a proper and efficient management of the Fund. As this is a feeder fund that invests predominantly in the Target Fund, 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 conditions. However, the Target Fund Investment Manager may take temporary defensive position when deemed necessary.

We do not employ risk management strategy on the portfolio of the Target Fund. However, the Target Fund Investment Manager will employ a risk management process in respect of the Target Fund that enables the Target Fund Investment Manager to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the Target Fund.

We will employ risk management strategy at the Fund level, where we will continuously monitor the objective, performance and suitability of the Target Fund to ensure that it is in line with the objective of the Fund. If we are of the opinion that the Target Fund no longer meets the Fund's objective, we may, with your approval, replace the Target Fund with another CIS that is in line with the Fund's objective and must be in compliance with Guidelines on Sustainable and Responsible Investment Funds. In such circumstances, we will withdraw our investment in the Target Fund and invest in another CIS on a staggered basis for a smooth transition, if the Target Fund imposes any conditions in relation to withdrawal 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 a dilution adjustment that may be made by the newly identified target fund. Hence during the transition period, the Fund's investments may differ from the stipulated objective, investment strategies and/or investment restrictions and limits. The Fund also may, with the concurrence of the Trustee, hold more than 5% of liquid assets on a temporary basis to meet withdrawal requests and to manage expenses of the Fund.

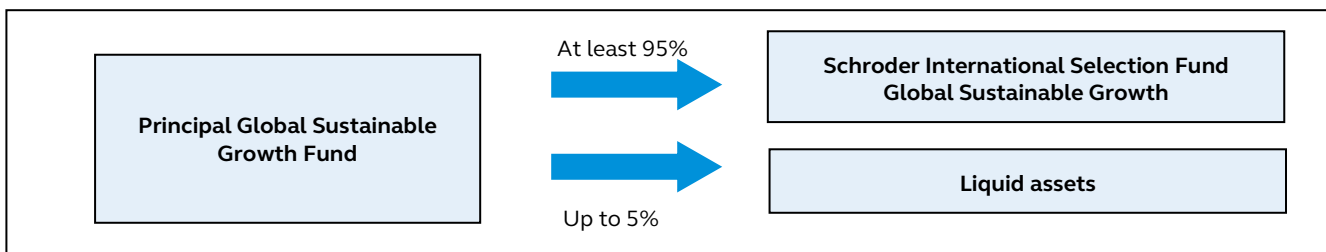
Currently, the Fund invests in Class A Shares of the Target Fund, which is denominated in USD. The Fund may change its entire investment into another class of the Target Fund (which must be denominated in the same currency) if we are of the opinion that the change is in the interest of the Unit holders. If we wish to effect such change, we will seek concurrence from the Trustee and you will be notified before implementation. Please refer to page 11 under the "About Schroder International Selection Fund Global Sustainable Growth" for more information.

Note:

* *Anti-dilution levy is an allowance for fiscal and other charges that is added to the NAV per unit to reflect the costs of investing application monies in underlying assets of the Target Fund or newly identified target fund.*

Information on the Target Fund

Target Fund	:	Schroder International Selection Fund Global Sustainable Growth
Share class	:	Class A Shares
Currency Denomination	:	USD
Target Fund Investment Manager	:	Schroder Investment Management Limited
Regulatory authority	:	Commission de Surveillance du Secteur Financier



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.

1.2. PERMITTED INVESTMENTS

The Fund will invest in the following investments:

- One (1) CIS;
- Deposits and money market instruments;
- Derivative instruments, including but not limited to options, futures contracts, forward contracts and swaps for the purpose of hedging; and
- Any other form of investments as may be determined by us from time to time that is in line with the Fund's objective.

1.3. INVESTMENT RESTRICTIONS AND LIMITS

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

CIS: The Fund must invest at least 95% of its NAV in one (1) CIS.

Liquid assets: The Fund may invest up to 5% of its NAV 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 withdrawal requests and to manage expenses of the Fund.

1.4. APPROVALS AND CONDITIONS

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

1.5. BORROWINGS OR FINANCING

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

1.6. SECURITIES LENDING

Not applicable to the Fund.

1.7. RISK FACTORS

1.7.1 GENERAL RISKS OF INVESTING IN A FUND

Before investing, you should consider the following risk factors in addition to 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 which includes your investment capital and returns, nor any assurance that the fund's objective will be achieved.

Market risk

This 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 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.

Financing risk

This risk occurs when you obtain financing to finance your investment. The inherent risk of investing with money obtained from financing includes you being unable to service the financing payments. In the event units are used as collateral and if the prices of units fall below a certain level due to market conditions, you may be required to pay additional amounts on top of your normal instalment. If you fail to comply within the time prescribed, your units may be sold at an unfavourable price and the proceeds thereof will be used towards the settlement of your financing.

Manager risk

This risk refers to the day-to-day management of the fund by the manager which will impact the performance of the fund. For example, investment decisions undertaken by the manager, as a result of any non-compliance with internal policies, investment mandate, the deed, relevant law or guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the fund.

1.7.2 SPECIFIC RISK RELATED TO THE FUND

Currency risk

You should be aware that currency risk is applicable to Class(es) which is in a different currency than the base currency of the Fund. 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.

Risk associated with investing in CIS

Since the Fund invests into CIS that is managed by another manager, the Target Fund Investment 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, 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 alternative CIS that is consistent with the objective of the Fund, subject to your approval.

Country risk

As the Fund invests in the Target Fund which is domiciled in Luxembourg, the Fund's investments in the Target Fund may be affected by risks specific to Luxembourg. Such risks include adverse changes in Luxembourg's economic fundamentals, social and political stability, laws and regulations and foreign investments policies. These factors may be an adverse impact on the prices of the Target Fund's investments, which will depress the Target Fund's NAV growth, and consequently depress the Fund's NAV growth.

1.7.3 RISKS ASSOCIATED WITH INVESTMENTS IN THE TARGET FUND

The following section was excerpted from the information stated in the Target Fund Prospectus.

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

General Risks

Past performance is not a guide to future performance and shares, other than shares of money market funds, should be regarded as a medium to long-term investment. The value of investments and the income generated by them may go down as well as up and shareholders may not get back the amount originally invested. Where the currency varies from the Target Fund investor's home currency, or where the Target Fund currency varies from the currencies of the markets in which the Target Fund invests, there is the prospect of additional loss (or the prospect of additional gain) to the Target Fund investor greater than the usual risks of investment.

Investment Objective Risk

Investment objectives express an intended result but there is no guarantee that such a result will be achieved. Depending on market conditions and the macro economic environment, investment objectives may become more difficult or even impossible to achieve. There is no express or implied assurance as to the likelihood of achieving the investment objective for the Target Fund.

Regulatory Risk

The Target Fund Company is domiciled in Luxembourg and Target Fund investors should note that all the regulatory protections provided by their local regulatory authorities may not apply. Additionally the Target Fund will be registered in non-EU jurisdictions. As a result of such registrations the Target Fund may be subject, without any notice to the shareholders in the Target Fund concerned, to more restrictive regulatory regimes. In such cases the Target Fund will abide by these more restrictive requirements. This may prevent the Target Fund from making the fullest possible use of the investment limits.

Business, Legal and Tax Risks

In some jurisdictions the interpretation and implementation of laws and regulations and the enforcement of shareholders' rights under such laws and regulations may involve significant uncertainties. Furthermore, there may be differences between accounting and auditing standards, reporting practices and disclosure requirements and those generally accepted internationally. Interest and dividend income received by the Target Fund may be subject to non-recoverable withholding tax in the source countries. The Target Fund may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin. Tax law and regulations of any jurisdiction are frequently reviewed and may be changed at any time, in certain cases with retrospective effect. The interpretation and applicability of tax law and regulations by tax authorities in some jurisdictions are not consistent and transparent and may vary from jurisdiction to jurisdiction and/or region to region. Any change in taxation legislation could affect the value of the investments held by and the performance of the Target Fund.

Risk Factors Relating to Industry Sectors / Geographic Areas

Target Fund focus on a particular industry or geographic area are subject to the risk factors and market factors which affect this particular industry or geographic area, including legislative changes, changes in general economic conditions and increased competitive forces. This may result in a greater volatility of the net asset value of the Target Fund's shares. Additional risks may include greater social and political uncertainty and instability; and natural disasters.

Risk of Suspension of Share Dealings

Investors are reminded that in certain circumstances their right to redeem or switch Target Fund's shares may be suspended (see Section 2.4, "Suspensions or Deferrals").

Liquidity Risk

Liquidity risk exists when particular investments are difficult to purchase or sell. Target Fund's investment in illiquid securities may reduce the returns of the Target Fund because it may be unable to sell the illiquid securities at an advantageous time or price. Investments in foreign securities, derivatives or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk. Illiquid securities may be highly volatile and difficult to value.

Inflation/Deflation Risk

Inflation is the risk that the Target Fund's assets or income from the Target Fund's investments may be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of the Target Fund's portfolio could decline.

Deflation risk is the risk that prices throughout the economy may decline over time. Deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of the Target Fund's portfolio.

Derivatives Risk

Target Fund uses derivatives to meet its specific investment objective, there is no guarantee that the performance of the derivatives will result in a positive effect for the Target Fund and its shareholders.

The Target Fund may incur costs and fees in connection with total return swaps, contracts for difference or other derivatives with similar characteristics, upon entering into these instruments and/or any increase or decrease of their notional amount. The amount of these fees may be fixed or variable. Information on costs and fees incurred by the Target Fund in this respect, as well as the identity of the recipients and any affiliation they may have with the depositary, the Target Fund Investment Manager or the Target Fund Management Company, if applicable, may be available in the annual report.

Counterparty Risk

The Target Fund Company conducts transactions through or with brokers, clearing houses, market counterparties and other agents. The Target Fund Company will be subject to the risk of the inability of any such counterparty to perform its obligations, whether due to insolvency, bankruptcy or other causes.

The Target Fund may invest in instruments such as notes, bonds or warrants the performance of which is linked to a market or investment to which the Target Fund seeks to be exposed. Such instruments are issued by a range of counterparties and through its investment the Target Fund will be subject to the counterparty risk of the issuer, in addition to the investment exposure it seeks.

The Target Fund will only enter into OTC derivatives transactions, including swap agreements, with first class institutions which are subject to prudential supervision and specialising in these types of transactions. In principle, the counterparty risk for such derivatives transactions entered into with first class institutions should not exceed 10% of the Target Fund's net assets when the counterparty is a credit institution or 5% of its net assets in other cases. However, if a counterparty defaults, the actual losses may exceed these limitations.

Portfolio Concentration Risk

Although the strategy of the Target Fund of investing in a limited number of assets has the potential to generate attractive returns over time, the Target Fund which invests in a concentrated portfolio of securities may tend to be more volatile than a fund which invests in a more broadly diversified range of securities. If the assets in Target Fund invests perform poorly, the Target Fund could incur greater losses than if it had invested in a larger number of assets.

Exchange Rates

The reference currency of the Target Fund is not necessarily the investment currency of the Target Fund concerned. Investments are made in investment funds in currencies that, in the view of the Target Fund Investment Manager, best benefit the performance of the Target Fund. Shareholders investing in the Target Fund having a reference currency that is different from their own should be aware that exchange rate fluctuations could cause the value of their investment to diminish or increase.

Equity Securities

Where the Target Fund invests in equity or equity-related investments, the values of equity securities may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. Equity securities generally have greater price volatility than fixed income securities.

Sustainability Risks

The Target Fund Investment Manager takes sustainability risks into account in the management of the Target Fund. A sustainability risk is an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment and the returns of the Target Fund. An example of an environmental risk is the increased likelihood of flooding due to climate change and the associated rise in sea levels. Flooding could affect a variety of issuers such as real estate companies and insurers, and could negatively impact the value of investments in those companies. An example of a social risk is the occurrence of improper working practices such as child labour. Companies that are found to have engaged in such practices, or that have engaged with suppliers that they know to have done so, may be in breach of applicable laws and/or may be perceived negatively by the market. An example of a governance risk is the need to ensure gender diversity. If a company's reporting shows a lack of diversity, or there is media coverage of discrimination within the business on the grounds of gender, this may negatively affect market sentiment with respect to the company and impact its share price. There is also the risk that new regulations, taxes or industry standards to protect or encourage sustainable businesses and practices may be introduced – such changes may negatively impact issuers that are poorly placed to adapt to new requirements. The Target Fund have the objective of making sustainable investments and/or have environmental and/or social characteristics, which they achieve by applying sustainability criteria to the selection of investments. The Target Fund may have limited exposure to some companies, industries or sectors as a result and may forego certain investment opportunities, or dispose of certain holdings, that do not align with their sustainability criteria. A sustainable Target Fund may underperform other funds that do not apply similar criteria to their investments. As investors may differ in their views of what constitutes a sustainable investment, the Target Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. The regulatory framework applying to sustainable products and sustainable investing is rapidly evolving. As such, the aims and investments of the Target Fund may be subject to change over time in order to comply with new requirements or applicable regulatory guidance.

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 investments in the Fund may be exposed to other risks from time to time. Please consult your professional advisers for a better understanding of the risks.

2. TARGET FUND INFORMATION

2.1. ABOUT SCHRODER INTERNATIONAL SELECTION FUND GLOBAL SUSTAINABLE GROWTH

Schroder International Selection Fund is an umbrella structured open-ended investment company with limited liability in Luxembourg, organized as a "société anonyme" and qualifies as a Société à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended ("Law"). The Target Fund Company operates separate Funds, each of which is represented by one or more Share Classes. The Funds are distinguished by their specific investment policy or any other specific features. The Target Fund Company constitutes a single legal entity, but the assets of each fund shall be invested for the exclusive benefit of the shareholders of the corresponding fund and the assets of a specific fund are solely accountable for the liabilities, commitments and obligations of that fund.

The Schroder International Selection Fund Global Sustainable Growth is a fund under the Target Fund Company which was launched in 23 November 2010. The legislation governing the establishment and operation of the Target Fund is Luxembourg legislation.

The directors of the Target Fund Company have appointed Schroder Investment Management (Europe) S.A. as its management company to perform investment management, administration and marketing functions. Schroder Investment Management (Europe) S.A. is regulated by the Commission de Surveillance du Secteur Financier ("CSSF"). Schroder Investment Management (Europe) S.A. was incorporated as a "Société Anonyme" in Luxembourg on 23 August 1991 and has an issued and fully paid up share capital of EUR 12,867,092.98. Schroder Investment Management (Europe) S.A. has been authorized as a management company under Chapter 15 of the law of undertakings for collective investment dated 17 December 2010, as amended and, as such, provides collective portfolio management services to undertakings for collective investment.

Schroder Investment Management (Europe) S.A. has delegated its investment management functions to Schroder Investment Management Limited (the "Target Fund Investment Manager") as the investment manager of the Target Fund. The Target Fund Investment Manager is domiciled in the United Kingdom and has been managing collective investment schemes and discretionary funds since 1985. Schroder Investment Management Limited is regulated by the Financial Conduct Authority.

Investment Objective

The Target Fund aims to provide capital growth by investing in equity and equity related securities of companies worldwide which meet the Target Fund Investment Manager's sustainability criteria.

Investment Policy

The Target Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide.

The Target Fund typically holds fewer than 50 companies.

The Target Fund maintains a higher overall sustainability score than MSCI AC World (Net TR) index, based on the Target Fund Investment Manager's rating system. More details on the investment process used to achieve this can be found in the "Fund Characteristics" section in Target Fund Prospectus.

The Target Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability Information" on the Target Fund's webpage, accessed via www.schroders.com/en/lu/private-investor/gfc. The Target Fund invests in companies that have good governance practices, as determined by the Target Fund Investment Manager's rating criteria (please see the Fund Characteristics section in the Target Fund Prospectus for more details).

The Target Fund Investment Manager may also engage with companies held by the Target Fund to challenge identified areas of weakness on sustainability issues. More details on the Target Fund Investment Manager's approach to sustainability and its engagement with companies are available on the website www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures

The Target Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, investment funds, warrants and money market investments, and hold cash.

The Target Fund may use derivatives with the aim of reducing risk or managing the Target Fund more efficiently.

Benchmark

The Target Fund does not have a target benchmark. The Target Fund's performance should be compared against the MSCI AC World (Net TR) index. The comparator benchmark is only included for performance comparison purposes and does not have any bearing on how the Target Fund Investment Manager invests the Target Fund's assets. The Target Fund's investment universe is expected to overlap materially with the components of the comparator benchmark. The Target Fund Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Target Fund's portfolio and performance may deviate from the comparator benchmark. The Target Fund Investment Manager will invest in companies or sectors not included in the comparator benchmark. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Target Fund.

The comparator benchmark has been selected because the Target Fund Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Sustainability Criteria

The Target Fund Investment Manager applies sustainability criteria when selecting investments for the Target Fund.

Companies are assessed and rated against a set of questions covering issues such as respect for the environment; fair and equitable treatment of employees, suppliers and customers; corporate citizenship; capital allocation and governance.

The Target Fund Investment Manager will decide on a case by case basis whether a company is eligible for inclusion in the investible universe, taking into account these ratings. While all companies are assessed against all questions, the Target Fund Investment Manager's decision will focus on those areas that are most relevant to the particular business of that company. In these areas, the company should generally be appraised as at least "strong" in order to be accepted into the investible universe. The eligibility of each company in the Target Fund's portfolio is then reviewed at least annually.

The primary sources of information used to perform the analysis are Schroders' proprietary sustainability tools, third-party research, unconventional data sourced by our Data Insights Unit, NGO reports and expert networks. The Target Fund Investment Manager also scrutinises company sustainability reports and other disclosures, which may be complemented by direct engagement with the company during the assessment process.

The Target Fund Investment Manager ensures that at least 90% of companies in the Target Fund's portfolio are rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of the Target Fund's potential investment universe is excluded from the selection of investments.

For the purposes of this test, the potential investment universe is the core universe of issuers that the Target Fund Investment Manager may select for the Target Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of equity and equity related securities of companies worldwide.

Base Currency

USD

Distribution Policy

No distribution of dividends shall be made for Class A shares of the Target Fund but the net income attributable will be reflected in the increased value of the shares of the Target Fund.

2.2. INVESTMENT RESTRICTIONS OF THE TARGET FUND

The investment restrictions imposed by Luxembourg law must be complied with by the Target Fund.

2.2.1. INVESTMENT IN TRANSFERABLE SECURITIES AND LIQUID ASSETS

1. Investment in transferable securities and liquid assets

(A) The Target Fund Company will invest in:

- (1) transferable securities and money market instruments admitted to or dealt in on a regulated market; and/or
- (2) recently issued transferable securities and money market instruments, provided that
 - (I) the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or on another regulated market which operates regularly, is recognized and open to the public and,
 - (II) such admission is secured within one year of the issue; and/or
- (3) units of UCITS and/or of other UCI, whether situated in an European Union member state or not, provided that:
 - (I) such other UCIs have been authorized under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in European Union UCI Law, and that cooperation between authorities is sufficiently ensured,
 - (II) the level of protection for shareholders in such other UCIs is equivalent to that provided for shareholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the UCITS Directive,
 - (III) the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
 - (IV) no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs; and/or
- (4) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a country which is an European Union member state or, if the registered office of the credit institution is situated in a non-European Union member state, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in European Union UCI Law; and/or

- (5) derivatives, including equivalent cash-settled instruments, dealt on a regulated market, and/or derivatives dealt OTC, provided that:
- (I) the underlying consists of securities covered by this section 1(A), financial indices, interest rates, foreign exchange rates or currencies, in which the Target Fund may invest according to their investment objective;
 - (II) the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF;
 - (III) the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Target Fund Company's initiative,
- and/or
- (6) money market instruments other than those dealt in on a regulated market, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such investments are:
- (I) issued or guaranteed by a central, regional or local authority or by a central bank or an European Union member state, the European central bank, the European Union or the European investment bank, a non-European Union member state or, in case of a federal state, by one of the members making up the federation, or by a public international body to which one or more European Union member states belong, or
 - (II) issued by an undertaking any securities of which are dealt in on regulated markets, or
 - (III) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined in European Union UCI Law, or
 - (IV) issued by other bodies belonging to categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least EUR10,000,000 and which presents and publishes its annual accounts in accordance with the directive 2013/34/European Union, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.
- (7) In addition, the Target Fund Company may invest a maximum of 10% of the NAV of the Target Fund in transferable securities or money market instruments other than those referred to under A(1), A(2) and A(6) above.
- (8) Under the conditions and within the limits laid down by the Law, the Target Fund Company may, to the widest extent permitted by the Luxembourg laws and regulations (i) create the Target Fund qualifying either as a feeder UCITS or as a master UCITS, (ii) convert the Target Fund into a feeder UCITS, or (iii) change the master UCITS of any of its feeder UCITS.

A feeder UCITS shall invest at least 85% of its assets in the units of another master UCITS. A feeder UCITS may hold up to 15% of its assets in one or more of the following:

- ancillary liquid assets in accordance to paragraph B below;
- derivatives, which may be used only for hedging purposes.

For the purposes of compliance with section 3 below, the feeder UCITS shall calculate its global exposure related to derivatives by combining its own direct exposure under the above paragraph, (b) with either:

- the master UCITS actual exposure to derivatives in proportion to the feeder UCITS investment into the master UCITS; or
- the master UCITS potential maximum global exposure to derivatives provided for in the master UCITS management regulations or instruments of incorporation in proportion to the feeder UCITS investment into the master UCITS.

(B) The Target Fund may hold ancillary liquid assets. Liquid assets used to back-up derivatives exposure are not considered as ancillary liquid assets.

- (1) The Target Fund may invest no more than 10% of its NAV in transferable securities or money market instruments issued by the same issuing body (and in the case of structured financial instruments embedding derivatives instruments, both the issuer of the structured financial instruments and the issuer of the underlying securities). The Target Fund may not invest more than 20% of its net assets in deposits made with the same body. The risk exposure to a counterparty of the Target Fund in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in paragraph 1(A)(4) above or 5% of its net assets in other cases.
- (2) Furthermore, where the Target Fund holds investments in transferable securities and money market instruments of any issuing body which individually exceed 5% of the NAV of the Target Fund, the total value of such investments must not account for more than 40% of the NAV of the Target Fund.

This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph (C) (1), the Target Fund may not combine:

- investments in transferable securities or money market instruments issued by,
- deposits made with, and/or

- exposures arising from OTC derivative transactions undertaken with a single body in excess of 20% of its net assets.

a single body in excess of 20% of its net assets.

- (3) The limit of 10% laid down in paragraph (C)(1) above shall be 35% in respect of transferable securities or money market instruments which are issued or guaranteed by an European Union member state, its local authorities or by an eligible state or by public international bodies of which one or more European Union member states are members.
- (4) The limit of 10% laid down in paragraph (C)(1) above shall be 25% in respect of debt securities which are issued by highly rated credit institutions having their registered office in an European Union member state and which are subject to law to a special public supervision for the purpose of protecting the holders of such debt securities, provided that the amount resulting from the issue of such debt securities are invested, pursuant to applicable provisions of the law, in assets which are sufficient to cover the liabilities arising from such debt securities during the whole period of validity thereof and which are assigned to the preferential repayment of capital and accrued interest in the case of a default by such issuer.
- (5) If the Target Fund invests more than 5% of its assets in the debt securities referred to in the sub-paragraph above and issued by one issuer, the total value of such investments may not exceed 80% of the value of the assets of the Target Fund.
- (6) The transferable securities and money market instruments referred to in paragraphs (C)(3) and (C)(4) are not included in the calculation of the limit of 40% referred to in paragraph (C)(2).

The limits set out in paragraphs (C)(1), (C)(2), (C)(3) and (C)(4) above may not be aggregated and, accordingly, the value of investments in transferable securities and money market instruments issued by the same body, in deposits or derivatives made with this body, effected in accordance with paragraphs (C)(1), (C)(2), (C)(3) and (C)(4) may not, in any event, exceed a total of 35% of the Target Fund's NAV.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with directive 2013/34/European Union or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph (C).

The Target Fund may cumulatively invest up to 20% of its net assets in transferable securities and money market instruments within the same group.

- (7) Without prejudice to the limits laid down in paragraph (D), the limits laid down in this paragraph (C) shall be 20% for investments in shares and/or bonds issued by the same body when the aim of the Target Fund's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the CSSF, provided
 - the composition of the index is sufficiently diversified,
 - the index represents an adequate benchmark for the market to which it refers,
 - it is published in an appropriate manner.The limit laid down in the sub-paragraph above is raised to 35% where it proves to be justified by exceptional market conditions in particular in regulated markets where certain transferable securities or money market instruments are highly dominant provided that investment up to 35% is only permitted for a single issuer.
- (8) Where the Target Fund has invested in accordance with the principle of risk spreading in transferable securities or money market instruments issued or guaranteed by an European Union member state, by its local authorities or by an eligible state or by public international bodies of which one or more European Union member states are members, the Target Fund Company may invest 100% of the NAV of the Target Fund in such securities provided that the Target Fund must hold securities from at least six different issues and the value of securities from any one issue must not account for more than 30% of the NAV of the Target Fund.

Subject to having due regard to the principle of risk spreading, the Target Fund need not comply with the limits set out in this paragraph (C) for a period of 6 months following the date of its launch.

- (1) The Target Fund Company may not normally acquire shares carrying voting rights which would enable the Target Fund Company to exercise significant influence over the management of the issuing body.
- (2) The Target Fund may acquire no more than (a) 10% of the non-voting shares of any single issuing body, (b) 10% of the value of debt securities of any single issuing body, (c) 10% of the money market instruments of the same issuing body. However, the limits laid down in (b) and (c) 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 securities in issue cannot be calculated.

The limits set out in paragraph (D)(1) and (2) above shall not apply to:

- (1) transferable securities and money market instruments issued or guaranteed by an European Union member state or its local authorities;
- (2) transferable securities and money market instruments issued or guaranteed by any other eligible state;

- (3) transferable securities and money market instruments issued by public international bodies of which one or more European Union member states are members; or
 - (4) shares held in the capital of a company incorporated in a non-European Union member state which invests its assets mainly in the securities of issuing bodies having their registered office in that state where, under the legislation of that state, such holding represents the only way in which the Target Fund's assets may invest in the securities of the issuing bodies of that state, provided, however, that such company in its investment policy complies with the limits laid down in Articles 43, 46 and 48 (1) and (2) of the Law.
- (C) The Target Fund may not invest more than 10% of its net assets in units of UCITS or UCIs with the exception of the multi manager funds and funds identified as feeder UCITS as provided for in the investment objective. In addition, the following limits shall apply:
- (1) If the Target Fund is allowed to invest more than 10% of its net assets in units of UCITS and/or UCIs, the Target Fund may not invest more than 20% of its net assets in units of a single UCITS or other UCI. Investments made in units of UCIs other than UCITS may not, in aggregate, exceed 30% of the net assets of the Target Fund.
 - (2) When the Target Fund invests in the units of other UCITS and/or other UCIs linked to the Target Fund Company by common management or control, or by a direct or indirect holding of more than 10% of the capital or the voting rights, or managed by a management company linked to the investment manager, no subscription or redemption fees may be charged to the Target Fund Company on account of its investment in the units of such other UCITS and/or UCIs. In respect of the Target Fund's investments in UCITS and other UCIs linked to the Target Fund Company as described in the preceding paragraph, there shall be no management fee charged to that portion of the assets of the relevant fund. The Target Fund Company will indicate in its annual report the total management fees charged both to the relevant fund and to the UCITS and other UCIs in which the Target Fund has invested during the relevant period.
 - (3) The Target Fund may acquire no more than 25% of the units or shares of the same UCITS and/or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units or shares in issue cannot be calculated. In case of a UCITS or other UCI with multiple sub-funds, this restriction is applicable by reference to all units or shares issued by the UCITS/UCI concerned, all sub-funds combined.
 - (4) The underlying investments held by the UCITS or other UCIs in which the Target Fund invests do not have to be considered for the purpose of the investment restrictions set forth under section 1(C) above.
- (D) The Target Fund (the investing fund) may subscribe, acquire and/or hold securities to be issued or issued by one or more funds (each a target fund) without the Target Fund Company being subject to the requirements of the Law of 10 August 1915 on commercial companies, as amended, with respect to the subscription, acquisition and/or the holding company by a company of its own shares, under the condition however that:
- (1) the target fund(s) do(es) not, in turn, invest in the investing fund invested in this(these) target fund(s); and
 - (2) no more than 10% of the assets that the target fund(s) whose acquisition is contemplated may be invested in units of other target funds; and
 - (3) voting rights, if any, attaching to the shares of the target fund(s) are suspended for as long they are held by the investing fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
 - (4) in any event, for as long as these securities are held by the investing fund, their value will not be taken into consideration for the calculation of the net assets of the Target Fund Company for the purposes of verifying the minimum threshold of the net assets imposed by the Law

2.2.2. Investment in other assets

- (A) The Target Fund Company will neither make investments in precious metals, commodities or certificates representing these. In addition, the Target Fund Company will not enter into derivatives on precious metals or commodities. This does not prevent the Target Fund Company from gaining exposure to precious metals or commodities by investing into financial instruments backed by precious metals or commodities or financial instruments whose performance is linked to precious metals or commodities.
- (B) The Target Fund Company will not purchase or sell real estate or any option, right or interest therein, provided the Target Fund Company may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
- (C) The Target Fund Company may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in sections 1(A)(3), (5) and (6).
- (D) The Target Fund Company may not borrow for the account of the Target Fund, other than amounts which do not in aggregate exceed 10% of the NAV of the Target Fund, and then only as a temporary measure. For the purpose of this restriction back to back loans are not considered to be borrowings.

- (E) The Target Fund Company will not mortgage, pledge, hypothecate or otherwise encumber as security for indebtedness any securities held for the account of the Target Fund, except as may be necessary in connection with the borrowings mentioned in paragraph (D) above, and then such mortgaging, pledging, or hypothecating may not exceed 10% of the NAV of the Target Fund. In connection with swap transactions, option and forward exchange or futures transactions the deposit of securities or other assets in a separate account shall not be considered a mortgage, pledge or hypothecation for this purpose.
- (F) The Target Fund Company may acquire securities in which it is permitted to invest in pursuit of its investment objective and policy through underwriting or sub-underwriting.
- (G) The Target Fund Company will on a fund by fund basis comply with such further restrictions as may be required by the regulatory authorities in any country in which the shares are marketed.

2.2.3. Derivatives

As specified in section 1(A)(5) above, the Target Fund Company may in respect of the Target Fund invest in derivatives, but not for investment purposes.

The Target Fund Company shall ensure that the global exposure of the Target Fund relating to derivatives does not exceed the total net assets of the Target Fund. The Target Fund's overall risk exposure shall consequently not exceed 200% of its total net assets. In addition, this overall risk exposure may not be increased by more than 10% by means of temporary borrowings (as referred to in section 2(D) above) so that it may not exceed 210% of the Target Fund's total net assets under any circumstances.

The global exposure relating to derivatives is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions. This shall also apply to the following sub-paragraphs.

The Target Fund may invest, as a part of its investment policy and within the limits laid down in section 1(A)(7) and section 1(C)(5), in derivatives provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in sections 1(C)(1) to (7).

When the Target Fund invests in index-based derivatives compliant with the provisions of sections 1(C)(1) to (7), these investments do not have to be combined with the limits laid down in section 1(C). The frequency of the review and rebalancing of the composition of the underlying index of such derivatives varies per index and could be daily, weekly, monthly, quarterly or annually. The rebalancing frequency will have no impact in terms of costs in the context of the performance of the investment objective of the Target Fund.

When a transferable security or money market instrument embeds a derivatives, the latter must be taken into account when complying with the requirements of these restrictions. Transferable securities or money market instruments backed by other assets are not deemed to embed a derivative.

The Target Fund may use derivatives for hedging purposes, within the limits of the Regulations. Under no circumstances shall the use of these instruments and techniques cause the Target Fund to diverge from its investment policy or objective. The risks against which the Target Fund could be hedged may be, for instance, market risk, foreign exchange risk, interest rate risk, credit risk, volatility or inflation risks.

Target Fund may invest in financial derivative instruments that are traded OTC including, without limitation, total return swaps, contracts for difference or other financial derivative instruments with similar characteristics, in accordance with the conditions set out in Appendix I of the Target Fund prospectus and the investment objective and policy of the Target Fund. Such OTC derivatives shall, to the extent capable of being held in custody, be safekept by the depositary. A total return swap is an agreement in which one party (total return payer) transfers the total economic performance of a reference obligation to the other party (total return receiver). Total economic performance includes income from interest and fees, gains or losses from market movements, and credit losses.

Total return swaps entered into by the Target Fund may be in the form of funded and/or unfunded swaps. An unfunded swap means a swap where no upfront payment is made by the total return receiver at inception. A funded swap means a swap where the total return receiver pays an upfront amount in return for the total return of the reference asset and can therefore be costlier due to the upfront payment requirement. All revenue arising from total return swaps, net of direct and indirect operational costs and fees, will be returned to the Target Fund.

Agreements on OTC derivatives

The Target Fund may enter into agreements on OTC derivatives. The counterparties to any OTC derivatives transactions, such as total return swaps, contracts for difference, repurchase and reverse repurchase transactions or other derivatives with similar characteristics, entered into by the Target Fund, are selected from a list of counterparties approved by the management company. The counterparties will be institutions which are either credit institutions with a registered office in an EU member state or investment firm, which are authorised under the The Markets in Financial Instruments Directive or an equivalent set of rules or are recognised financial institutions and subject to prudential supervision, with, at trade inception, a rating of BBB/Baa2 or its equivalent for global or domestic Systemically Important Financial Institutions (SIFI) or A- or its equivalent if not SIFI. The list of approved

counterparties may be amended by the management company. The identity of the counterparties will be disclosed in the annual report of the Target Fund Company.

Since the counterparties with which the Target Fund enter into total return swaps do not assume any discretion over the Target Fund's investments (including the reference assets, if any), no approval of the counterparties is required for any transactions relating to the investments of the Target Fund.

The global exposure relating to derivatives will be calculated using a commitment approach. For details, please refer to the Target Fund's prospectus available for download at www.schroders.lu.

Global exposure

The Target Fund's global exposure is limited to the total net value of its portfolio.

Commitment Approach

Under the commitment approach, derivatives positions of the Target Fund are converted into equivalent positions in the underlying asset, using market price or future price or notional value when more conservative.

2.2.4. Use of techniques and instruments relating to transferable securities and money market instruments

Techniques and instruments (including, but not limited to, securities lending or repurchase or reverse repurchase agreements) relating to transferable securities and money market instruments may be used by the Target Fund for the purpose of efficient portfolio management and where this is in the best interest of the Target Fund and in line with its investment objective and investor profile.

To the extent permitted by and within the limits prescribed by the regulations, the Target Fund may for the purpose of generating additional capital or income or for reducing its costs or risks, enter as purchaser or seller into optional or non-optional repurchase or reverse repurchase transactions and engage in securities lending transactions.

The Target Fund Company will, for the time being, not enter into repurchase and reverse repurchase agreements nor engage in securities lending transactions. Should the Target Fund Company decide to use such techniques and instruments in the future, the Target Fund Company will update the Target Fund's prospectus accordingly and will comply with the regulations and in particular CSSF circular 14/592.

Securities lending

Should the Target Fund Company engage in securities lending, the Target Fund will only engage in securities lending transactions with first class institutions specialising in these types of transactions and which are subject to prudential supervision considered by the CSSF to be equivalent to that laid down in European Union law.

The Target Fund must ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

In respect of securities loans, the Target Fund will ensure that its counterparty delivers and each day maintains collateral of at least the market value of the securities lent. Such collateral must be in the form of cash or securities that satisfy the requirements of the Regulations. Such collateral shall comply with the requirements set out in section 2.2.5. "Management of Collateral" below.

Reverse repurchase and repurchase agreements

Should the Target Fund Company engage in reverse repurchase and repurchase agreements, the Target Fund will only enter into reverse repurchase and repurchase agreements with counterparties which are subject to prudential supervision rules considered by the CSSF as equivalent to that laid down in European Union law.

If the Target Fund enters into a reverse repurchase agreement, the Target Fund shall ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement.

If the Target Fund enters into a repurchase agreement, the Target Fund shall ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.

Fixed-term repurchase and reverse repurchase agreement that do not exceed seven days shall be considered as arrangements on terms that allow the assets to be recalled at any time by the Target Fund.

The Target Fund shall ensure that the level of its exposure to repurchase and reverse repurchase agreements is such that it is able to comply at all times with its redemption obligations.

The collateral received shall comply with the requirements set out in section 2.2.5. "Management of Collateral" below. All revenues arising from reverse repurchase and repurchase agreements, net of direct and indirect operational costs and fees, will be returned to the Target Fund. Information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which such costs and fees are paid, as well as relationship they may have with the depositary or the Target Fund Management Company (if any), will be available in the Target Fund Company's annual report.

2.2.5. Management of Collateral

The risk exposures to a counterparty arising from OTC derivatives transactions and efficient portfolio management techniques shall be combined when calculating the counterparty risk limits provided for in section 1(C) above.

Collateral received for the benefit of The Target Fund may be used to reduce its counterparty risk exposure if it complies with the conditions set out in applicable laws and regulations. Where the Target Fund enters into OTC derivatives transactions and efficient portfolio management techniques, all collateral used to reduce counterparty risk exposure shall comply with the following criteria at all times:

- (A) Any collateral received other than cash shall be high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received shall also comply with the provisions in section 1(D) above.
- (B) Collateral received shall be valued on at least a daily basis. Assets that exhibit high price volatility shall not be accepted as collateral unless suitably conservative haircuts are in place.
- (C) Collateral received shall be of high quality.
- (D) The collateral received shall be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
- (E) Collateral shall be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Target Fund receives from a counterparty of efficient portfolio management and over-the-counter derivatives transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its Net Asset Value. When the Target Fund is exposed to different counterparties, the different baskets of collateral shall be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation, the Target Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State of the EU, one or more of its local authorities, Eligible State or a public international body to which one or more of its local Member States belong. In that case the Target Fund must receive securities from at least six different issues, but securities from any single issue shall not account for more than 30% of the Net Asset Value of the Target Fund.
- (F) Where there is a title transfer, the collateral received shall be held by the depository or one of its correspondents to which the depository has delegated the custody of such collateral. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
- (G) Collateral received shall be capable of being fully enforced by the Target Fund at any time without reference to or approval from the counterparty. and where applicable, collateral received should also comply with the control limits set out in this section.
- (H) Subject to the above conditions, permitted forms of collateral include:
 - (1) cash and cash equivalents, including short-term bank certificates and Money Market Investments;
 - (2) government bonds with any maturity issued by countries including but not limited to the UK, the USA, France and Germany with no minimum rating. Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate haircuts which will be determined for each asset class based on the haircut policy adopted by the Management Company.
- (I) Non-cash collateral received shall not be sold, re-invested or pledged.
- (J) Cash collateral that isn't received on behalf of currency hedged share classes shall only be:
 - (1) placed on deposit with entities as prescribed in section 1(A)(6) above;
 - (2) invested in high-quality government bonds;
 - (3) used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Target Fund is able to recall at any time the full amount of cash on accrued basis;

invested in short-term money market funds as defined in the "ESMA Guidelines on a Common Definition of European Money Market Funds". Issued by ESMA (CESR/10-049) as amended from time to time or in money market Funds as defined in money market fund regulation, once applicable.

Re-invested cash collateral shall be diversified in accordance with the diversification requirements applicable to non-cash collateral.

Collateral policy

Collateral received by the Target Fund shall predominantly be limited to cash and government bonds.

Haircut policy

The following haircuts for collateral in OTC transactions are applied by the management company (the management company reserves the right to vary this policy at any time in which case the prospectus of Target Fund will be updated accordingly):

Eligible collateral	Remaining maturity	Valuation percentage
Cash	N/A	100%
Government bonds	One year or under	98%
	More than one year up to and including five years	96% - 97%
	More than five years up to and including ten years	93% - 95%
	More than ten years up to and including thirty years	93%
	More than thirty years up to and including forty years	90%
	More than forty years up to and including fifty years	87%

2.2.6. Risk management process

The Target Fund Company will employ a risk management process which enables it with the investment manager to monitor and measure at any time the risk of the positions, the use of efficient portfolio management techniques, the management of collateral and their contribution to the overall risk profile of the Target Fund. The Target Fund Company or the investment manager will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivatives.

Upon request of an investor, the management company will provide supplementary information relating to the quantitative limits that apply in the risk management of the Target Fund, to the methods chosen to this end and to the recent evolution of the risks and yields of the main categories of instruments.

The risk management framework is available upon request from the Target Fund Company's registered office.

2.2.7. Miscellaneous

- (A) The Target Fund Company may not make loans to other persons or act as a guarantor on behalf of third parties provided that for the purpose of this restriction the making of bank deposits and the acquisition of such securities referred to in paragraphs 1(A)(1), (2), (3) and (4) or of ancillary liquid assets shall not be deemed to be the making of a loan and that the Target Fund Company shall not be prevented from acquiring such securities above which are not fully paid.
- (B) The Target Fund Company need not comply with the investment limit percentages when exercising subscription rights attached to securities which form part of its assets.
- (C) The management company, the investment managers, the distributors, depository and any authorised agents or their associates may have dealings in the assets of the Target Fund Company provided that any such transactions are effected on normal commercial terms negotiated at arm's length and provided that each such transaction complies with any of the following:
 - (1) a certified valuation of such transaction is provided by a person approved by the directors of the management company as independent and competent;
 - (2) the transaction has been executed on best terms, on and under the rules of an organised investment exchange; or
 - (3) where neither (1) or (2) is practical;
 - (4) where the directors of the management company are satisfied that the transaction has been executed on normal commercial terms negotiated at arm's length.

2.3. SUSPENSION OR DEFERRALS

- (A) The Target Fund Company reserves the right not to accept instructions to redeem or switch on any one Dealing Day more than 10% of the total value of Shares in issue of the Target Fund. In these circumstances, the directors may declare that the redemption of part or all Shares in excess of 10% for which a redemption or switch has been requested will be deferred until the next Dealing Day and will be valued at the Net Asset Value per Share prevailing on that Dealing Day. On such Dealing Day, deferred requests will be dealt with in priority to later requests and in the order that requests were initially received by the Target Fund's transfer agent.
- (B) The Target Fund Company reserves the right to extend the period of payment of redemption proceeds to such period, not exceeding thirty calendar days, as shall be necessary to repatriate proceeds of the sale of investments in the event of impediments due to exchange control regulations or similar constraints in the markets in which a substantial part of the assets of the Target Fund are invested or in exceptional circumstances where the liquidity of a Fund is not sufficient to meet the redemption requests.
- (C) The Target Fund Company may suspend or defer the calculation of the Net Asset Value per Share of any Share Class in the Target Fund and the issue and redemption of any Shares in the Target Fund, as well as the right to switch Shares of any Share Class in the Target Fund into Shares of the same Share Class of the Target Fund or any other fund:
 - (1) during any period when any of the principal stock exchanges or any other Regulated Market on which any substantial portion of the Target Fund Company's investments of the relevant Share Class for the time being are quoted, is closed, or during which dealings are restricted or suspended; or

- (2) during any period when the determination of the net asset value per share of and/or the redemptions in the underlying Investment funds representing a material part of the assets of the Target Fund is suspended; or
 - (3) during the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of investments of the Target Fund by the Target Fund Company is impracticable; or
 - (4) during any breakdown in the means of communication normally employed in determining the price or value of any of the Target Fund Company's investments or the current prices or values on any market or stock exchange; or
 - (5) during any period when the Target Fund Company is unable to repatriate funds for the purpose of making payments on the redemption of such Shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of such Shares cannot in the opinion of the directors be effected at normal rates of exchange; or
 - (6) if the Target Fund Company or the Target Fund is being or may be woundup on or following the date on which notice is given of the meeting of shareholders at which a resolution to wind up the Target Fund Company or the Target Fund is proposed; or
 - (7) if the directors have determined that there has been a material change in the valuations of a substantial proportion of the investments of the Target Fund Company attributable to a particular Share Class in the preparation or use of a valuation or the carrying out of a later or subsequent valuation; or
 - (8) during any other circumstance or circumstances where a failure to do so might result in the Target Fund Company or its shareholders incurring any liability to taxation or suffering other pecuniary disadvantages or any other detriment, which the Target Fund Company or its shareholders might so otherwise have suffered.
 - (9) during any period where circumstances exist that would justify the suspension for the protection of shareholders in accordance with the law.
- (D) The suspension of the calculation of the Net Asset Value per Share of the Target Fund or Share Class shall not affect the valuation of other funds or Share Classes, unless these funds or Share Classes are also affected.
- (E) During a period of suspension or deferral, a shareholder may withdraw his request in respect of any Shares not redeemed or switched, by notice in writing received by the Target Fund's transfer agent before the end of such period.
- (F) Moreover, in accordance with the provisions on mergers of the Law, the Target Fund Company may temporarily suspend the subscription, the redemption or the repurchase of its shares provided that any such suspension is justified for the protection of shareholders.

Shareholders will be informed of any suspension or deferral as appropriate.

2.4. DILUTION ADJUSTMENT

In the usual course of business the application of a dilution adjustment will be triggered mechanically and on a consistent basis.

Schroders' Group Pricing Committee provides recommendations to the Target Fund Management Company on the appropriate level of dilution adjustment and level of threshold that should trigger the application of swing pricing in a Fund. The Target Fund Management Company remains ultimately responsible for such pricing arrangements.

The need to make a dilution adjustment will depend upon the net value of subscriptions, switches and redemptions received by the Target Fund for each dealing day. The Target Fund Management Company therefore reserves the right to make a dilution adjustment where the Target Fund experiences a net cash movement which exceeds a certain threshold.

The Target Fund Management Company may also make a discretionary dilution adjustment if, in its opinion, it is in the interest of shareholders to do so.

The dilution adjustment is applied to all subscriptions, redemptions and/or switches in and out of the Target Fund on any given dealing day once the total level of such dealing in the Target Fund on that dealing day has exceeded the applicable threshold referred to above.

Where a dilution adjustment is made, it will increase the Net Asset Value per share when there are net inflows into the Target Fund and decrease the Net Asset Value per share when there are net outflows. The Net Asset Value per share of each share class in the Target Fund will be calculated separately but any dilution adjustment will, in percentage terms, affect the Net Asset Value per share of each share class identically.

As dilution is related to the inflows and outflows of money from the Target Fund it is not possible to accurately predict whether dilution will occur at any future point in time. It is also not possible to accurately predict how frequently the Target Fund Management Company will need to make such dilution adjustments.

In normal market conditions, swing pricing is not expected to exceed 2% of the unadjusted Net Asset Value per share of the Target Fund on any dealing day. However, under unusual or exceptional market conditions (such as significant market volatility, market disruption or significant economic contraction, a terrorist attack or war (or other hostilities), a pandemic or other health crisis, or a natural disaster), the Target Fund Management Company may decide, on a temporary basis, to adjust the Net Asset Value of the Target Fund by more than 2% when such a decision is justified as being in the best interests of the shareholders. Any such decision to adjust the Net Asset Value by more than 2% will be published on the following website: www.schroders.lu.

2.5. SPECIFIC RISKS OF THE TARGET FUND

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See "Risks Associated with the Investments in the Target Fund" section at page 8 for further information.

The Target Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). The Target Fund may have limited exposure to some companies, industries or sectors as a result and the Target Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria. Therefore, the Target Fund may underperform other funds that do not apply similar criteria to their investments. As investors may differ in their views of what

constitutes sustainable investing, the Target Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to “Risks Associated with the Investments in the Target Fund” section at page 8 for more details on sustainability risks.

2.6. FEES CHARGED BY THE TARGET FUND (A Shares)

FEES/EXPENSES	
Initial Charge	Up to 5%
Management Fee	1.30% per annum. Note: <i>The management fee charged by the Target Fund will be paid out of the Management Fee charged by us at the Fund level. You will incur a Management Fee at the Fund's level only and there is no double charging of management fee.</i>
Redemption charge	Nil.
Distribution charge	Nil.
Performance Fee	Nil.
Other expenses	Custody fee – up to a maximum of 0.3% per annum and US\$75 per transaction Administration fee – up to 0.25% per annum Accounting and Valuation Fee – Up to 0.0083% per annum

3. FEES, CHARGES AND EXPENSES

3.1. CHARGES

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

3.1.1. Application Fee

When applying for units of a 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.

Below is an illustration on how the Application Fee is calculated:-

	Class ABC (Denominated in USD)	Class XYZ (Denominated in MYR)
Investment amount	USD 10,000	MYR 10,000
NAV per unit	USD 1.0000	MYR 1.0000
Application Fee (NAV per unit)	5.00%	5.00%
Units issued to Unit holder = $\frac{\text{Investment amount}}{\text{NAV per unit}}$	= $\frac{\text{USD 10,000.00}}{\text{USD 1.0000}}$ = 10,000 units	= $\frac{\text{MYR 10,000.00}}{\text{MYR 1.0000}}$ = 10,000 units
Application Fee per unit = NAV per unit x Application Fee (%)	= USD 1.0000 x 5.00% = USD 0.0500	= MYR 1.0000 x 5.00% = MYR 0.0500
Total Application Fee	= 10,000 units x USD 0.0500 = USD 500.00	= 10,000 units x MYR 0.0500 = MYR 500.00

Note: Please note that the above example is for illustration purpose only. The Application Fee imposed will be rounded to two (2) decimal places.

3.1.2. Withdrawal Penalty

Withdrawal Penalty is chargeable if a withdrawal is made within three (3) months from the Commencement Date. Thereafter, no Withdrawal Penalty will be charged. All Withdrawal Penalty will be retained by the Fund. Please refer to the Annexure of the respective Class for further information.

3.1.3. Dilution Fee

Nil.

3.1.4. 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). As such, you will be charged a Switching Fee equal to the difference (if any) between the Application Fee of the Class to be switched out and the Application Fee of the other Class or Principal Malaysia's fund (or its class) to be switched into. 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.

3.1.5. 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

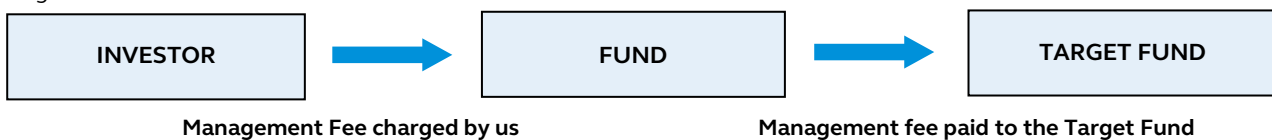
Management Fee is charged to the respective Class at the Class level, based on the NAV of the Class. Please refer to the Annexure of the respective Class for further information. The Management Fee shall be accrued daily and paid monthly to the Manager.

Below is an illustration on how the Management Fee is calculated, assuming the below Management Fee rate of 1.80% per annum and USD 150 million each for both Class ABC and Class XYZ:-

	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in MYR) (USD)
Management Fee	1.80% per annum	1.80% per annum
NAV of the class	USD 150 million	USD 150 million
Management Fee for the day = NAV of the class x Management Fee rate for the class (%) / 365 days	= USD 150 million x 1.80% / 365 = USD 7,397.26	= USD 150 million x 1.80% / 365 = USD 7,397.26

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

Please note that although at least 95% of the Fund's NAV will be invested in another CIS, no additional management fee will be charged to the investor.



Note: The management fee will only be charged once at the Fund level. The management fee charged by the Target Fund will be paid out of the Management Fee charged at the Fund level.

As the Fund will invest in units of the Target Fund, there is management fee incurred by the Target Fund which will be rebated back to the Fund to ensure that there will not be double charging of the Management Fee. Please refer to “Fees charged by the Target Fund” section at page 21 for details on the Target Fund’s management fee.

3.2.2. Trustee Fee

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

The Trustee Fee is up to 0.04% per annum of the NAV of Fund.

Below is an illustration on how the Trustee Fee is calculated, assuming the NAV of the Fund is USD 300 million:-

Trustee Fee for the Fund = 0.04% per annum
 Trustee Fee for the day = NAV of the Fund x annual Trustee Fee rate for the Fund (%) / 365 days
 = USD 300 million x 0.04% / 365
 = USD 328.76

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

3.2.3. Other costs of investing in a feeder fund

As the Fund will invest in units of the Target Fund, there are other fees and expenses incurred by the Target Fund which is set out in detail under “Fees charged by the Target Fund” section at page 21.

3.2.4. Other 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 (if any) 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 other authorities (if any) and bank fees;
- fees and other expenses properly incurred by the auditor and tax agent;
- fees for valuation of any investment of the Fund by independent valuers for the benefit of the Fund;
- costs incurred for the modification of the Deed otherwise than for our benefit or the Trustee’s;
- costs incurred for any meeting of the Unit holders other than those convened for our benefit or the Trustee’s;
- the sale, purchase, insurance and any other dealing of investment including commissions or fees paid to brokers;
- costs involved with external specialist approved by the Trustee in investigating or evaluating any proposed investment;
- the engagement of valuer, adviser or contractor of all kinds;
- preparation and audit of the taxation returns and accounts of the Fund;

- termination of the Fund or Class and the retirement or removal of the Trustee or the Manager and the appointment of a new trustee or manager;
- any proceedings, arbitration or other dispute concerning the Fund, Class or any asset, including proceedings against the Trustee or the Manager, or commenced by either of them for the benefit of the Fund or that Class (except to the extent that legal costs incurred for the defence of either of them are ordered by the court not to be reimbursed out of the Fund);
- 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 we decide otherwise to bear the same;
- expenses incurred in the printing of and postage of the annual and interim (if any) reports, including the purchase of stationery;
- (where the custodial function is delegated by the Trustee to a foreign sub-custodian), charges or fees paid to the foreign sub-custodian;
- all costs and/or expenses associated with the distributions and the payment of such distribution including without limitation fees, costs and/or expenses for the revalidation or reissuance of any distribution cheque or distribution warrant or telegraphic transfer;
- cost of obtaining experts opinion by the Trustee and us for the benefit of the Fund or Class; and
- costs of printing and dispatching to Unit holders the accounts of the Fund, tax certificates, distribution warrants, notices of meeting of Unit holders, newspaper advertisement and such other similar costs as may be approved by the Trustee.

Expenses not authorised by the Deed must be borne by us or the Trustee, 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. Should the Fund invest into units of other CIS that are managed by us or our related corporation, we will ensure that all initial charges are waived and there is no double charging of management fees. 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 costs and/or benefits from currency hedging of the respective Class and the cost of Unit holders meeting held in relation to the respective Class. If in doubt, you should consult professional advisers for better understanding.

Subject always to the provisions of the Deed and GLOLA, we reserve our sole and absolute discretion and at any time to amend, vary, waive and/ or reduce the fees and charges (except for Trustee Fee), whether payable by the Fund, Class, payable by you to the Fund or payable by any other investors to the Fund.

We may for any reason and at any time, waive or reduce: (a) any fees (except the Trustee Fee); (b) other charges payable by you in respect of the Fund; and/ or (c) transactional values including but not limited to the units or amount, for any Unit holder and/or investments made via any distribution channels or platform.

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 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.
- **Deposits**
The value of Deposits shall be determined each day by reference to the principal value of such permitted investments and its accrued income for the relevant period.
- **Derivative**
The value will be determined by the financial institution that issued the instrument and that value will be the fair value as determined in good faith by us on methods or basis which have been verified by the auditor of the Fund and approved by the Trustee.

If the value of the Fund’s assets is denominated in a currency other than USD, 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. on the same day (Malaysian time 11:00 p.m. or 12:00 a.m.), or such other time as we may determine or as per the IMS issued by the FIMM.

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

We will carry out the valuation of the Classes for each 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 (i.e. USD). 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 issued. The NAV per unit for a Business Day is available on our website at www.principal.com.my after 5:30 p.m. on the following Business Day (T+1).

After the initial offer period, 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:

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

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 translated into USD for valuation purposes.

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 (in USD) of the respective Class by the NAV of the Fund before income and expenses for the day. The apportionment is expressed as a ratio and calculated as a percentage.

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

	Fund (USD)	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in MYR) (USD)
NAV of the Fund before income and expenses	185,942,897.00	173,342,897.00	12,600,000.00
% MCR	100%	⁽¹⁾ 93.22%	⁽¹⁾ 6.78%

	Fund (USD)	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in MYR) (USD)
Add: Income	30,000.00	⁽²⁾ 27,967.12	⁽²⁾ 2,032.88
Less: Expenses	(10,000.00)	⁽²⁾ (9,322.37)	⁽²⁾ (677.63)
Benefits or costs of hedging (if any)	900.00	-	900.00
NAV of the Fund before management and trustee fee	185,963,797.00	173,361,541.75	12,602,255.25
		1.80% p.a.	1.80% p.a.
Less: Management fee	(9,170.82)	(8,549.34)	(621.48)
		0.04% p.a.	
Less: Trustee fee	(203.80)	(189.99)	(13.81)
NAV of the Fund	185,954,422.38	173,352,802.42	12,601,619.96
Units in circulation	200,000,000.00 units	170,000,000.00 units	30,000,000.00 units
NAV per unit		1.0197	0.4200
Currency exchange rate		N/A	(USD/MYR) 0.3000
NAV per unit		USD 1.0197	MYR 1.4000

	Fund (USD)	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in MYR) (USD)
NAV of the Fund before creation of units for the day	185,954,422.38	173,352,802.42	12,601,619.96
⁽³⁾ Creation of units	1,300,000.00	1,000,000.00	300,000.00
Closing NAV	187,254,422.38	174,352,802.42	12,901,619.96
Units in circulation	201,694,966.30 units	170,980,680.59 units	30,714,285.71 units
NAV per unit		1.0197	0.4200
Currency exchange rate		N/A	(USD/MYR) 0.3000
NAV per unit		USD 1.0197	MYR 1.4000

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

⁽³⁾Creation of units

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

Note: Please note that 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 Class. 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 Class for any withdrawal of units; and/or
 - (ii) you, if you have purchased units of the Class at a higher price; or
- b) in the event of under valuation and/or pricing, we shall reimburse:
 - (i) the Class for any subscription of units; and/or
 - (ii) you, if you have withdrawn units of the Class at a lower price.

Notwithstanding the above, unless the Trustee otherwise directs, we shall make the reimbursement 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 or threshold from time to time, subject to any regulatory or governing body's requirements.

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 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 bank account).

We reserve the right to accept or reject any application in whole or in part thereof without assigning any reason in respect thereof.

Further, if we become aware of a USA person (i.e. someone who has a USA address (permanent or mailing)) or USA 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-USA person or non-USA 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 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 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 predetermined 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 or employee of Principal Malaysia 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 for 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. on a Business Day, 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 for 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. There is no restriction on the frequency of withdrawals. We will transfer the withdrawal proceeds to your bank account (or foreign currency bank account, as the case may be) in our records. If we wish to increase the minimum withdrawals, we will consult with the Trustee and you will be notified of such changes before implementation.

4.6.1. Processing a withdrawal

If we receive a complete 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. on a Business Day, 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 Penalty, 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 fifteen (15) Business Days of 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 withdrawal proceeds to you (i.e. fifteen (15) Business Days) may be extended/delayed if:

- (i) There is temporary suspension of dealings at the Target Fund ^{Note 1};
- (ii) There is deferral of redemption payment by the Target Fund ^{Note 2};
- (iii) The dealings of the Fund are temporarily suspended by us ^{Note 3}; or
- (iv) There are any unforeseen circumstances that caused a delay in us receiving redemption proceeds from the Target Fund Investment Manager, subject to concurrence from Trustee.

Should any of the above events occur, we may not be able to pay the withdrawal proceeds to you within fifteen (15) Business Days. However, we will pay the withdrawal proceeds to you within fifteen (15) Business Days subsequent to the receipt of redemption proceeds from the Target Fund Investment Manager.

Note 1: *The dealings of the Target Fund may be suspended under the circumstances as described under “Suspension or Deferrals” section on page 19.*

Note 2: *The Target Fund Investment Manager may limit the number of units redeemed on a dealing day to more than 10% of the NAV of the Target Fund as described under “Suspension or Deferrals” section on page 19.*

Note 3: *We may temporarily suspend the dealing in units of the Classes or Fund, subject to the GLOLA and/or the Deed as described under “Temporary Suspension” section on page 30.*

Please refer to the respective sections for more information. Please consult your professional advisers for better understanding.

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. COOLING-OFF PERIOD

Individual Sophisticated Investor have six (6) Business Days after your initial investment (i.e. from the date the complete application 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 same NAV per unit when the units were purchased. We will refund the investment amount including 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 with a body approved by the SC to deal in unit trusts are not entitled to the cooling-off right.

4.9. SWITCHING

Switching is available between the Classes of the Fund or between a Class and other Principal Malaysia’s funds (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 the relevant Distributor. 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 Investors) or specifically (for any particular Sophisticated Investor or a group of Sophisticated Investors or investments made via any digital platform).

4.9.1. Processing a switch

We process a switch as a withdrawal from one fund or class and an investment into another fund or class. 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. on a Business Day, the switch out will be processed using the NAV per unit for the next Business Day.

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

4.10. TRANSFER FACILITY

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

4.11. TEMPORARY SUSPENSION

We may temporarily suspend the dealing in units of the Classes or Fund, subject to the GLOLA 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. On the distribution date, the NAV per unit 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 on the distribution date (the number of units will be rounded down to two (2) 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 the 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 the Class(es). The distribution will be paid into your bank account (which shall be in the respective currency of the 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"), 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, any income distribution payout to you by cheque, if any, which remains 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 holds 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 May.

5.2. INFORMATION ON YOUR INVESTMENT

We will send you the following:

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

The Fund's printed annual report is available upon request.

You may obtain up-to-date fund information and NAV per unit from our monthly fund fact sheets and our website at www.principal.com.my.

Please take note that if your investments are made through the 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 that IUTA.

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

Subject to the provision set out below, the Fund and/or any of the Class may be terminated or wound-up as proposed by us with the consent of the Trustee (which consent shall not be unreasonably withheld) upon the occurrence of any of the following events, by giving not less than three (3) months' notice in writing to the Unit holders as hereinafter provided (i) if any law shall be passed which renders it illegal or in the opinion of the Manager impracticable or inadvisable to continue the trust or (ii) if in our reasonable opinion it is impracticable or inadvisable to continue the Fund or Class. A Class may be terminated by Unit holders if a Special Resolution is passed at a Unit holders' meeting of that Class to terminate or wind-up that Class provided always that such termination or winding-up of that Class does not materially prejudice the interest of any other Class in that Fund.

5.4. RIGHTS, LIABILITIES AND LIMITATIONS OF UNIT HOLDERS

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 the Distributor (i.e. the 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

As a Unit holder, you have the right, among others, 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;
- receive the distribution of the Class (if any), participate in any increase in the value of the units and to other rights and privileges as set out in the Deed;
- 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.
- vote for the removal of the Trustee or the Manager through a Special Resolution;
- receive annual and quarterly reports of the Fund; and
- exercise cooling-off right.

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

Liabilities

- Your liability is limited to the purchase price paid or agreed to be paid for a unit. You do not need to indemnify the Trustee or us in the event that the liabilities incurred by us 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.
- Any right of indemnity of us and/or the Trustee shall be limited to recourse to the Fund.

Limitations

You cannot:

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

Note: 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 and supplemental deed, if any;
- Information Memorandum and supplementary or replacement information memorandum, if any;
- The latest annual and interim reports of the Fund, which includes the audited financial statements of the Fund (where available) for the current financial year and for the last three (3) financials years or if less than three (3) years, from the date of launch 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 Prospectus dated May 2021 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 time act in your best interests and will not conduct ourselves in any manner that will result in a conflict of interest or potential conflict of interest. In the unlikely event that any conflict of interest arises, such conflict shall be resolved so that the Fund is not disadvantaged. In the unlikely event that we face conflicts in respect of our duties as the Manager to the Fund and to other Principal Malaysia's funds that we manage, we are obliged to act in the best interests of all our investors and will seek to resolve any conflicts fairly and in accordance with the Deed.

We shall not act as principal in the sale and purchase of any securities or investments to and from the Fund. We shall not make any investment for the Fund in any securities, properties or assets in which we or our officer have financial interest in or from which we or our officer derives a benefit. 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 Malaysian 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
		Indirect	CIMB-Mapletree Management Sdn Bhd *
Principal Financial Services, Inc.	Shareholder#	Direct	Principal Islamic Asset Management Sdn Bhd

Principal Financial Services, Inc. has an interest and is a shareholder of Principal Malaysia via its shareholding in PIAL.

*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 Islamic 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 PFG 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

Trustee

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

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

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

Subject to any local regulations, the Trustee and/or its related group of companies may deal with each other, the Fund or any Unit holder may enter into any contract or transaction with each other, the Fund or any form of 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 its 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 was incorporated on 13 June 1994 and is a joint venture between PFG and CIMB Group. Principal Malaysia has experience operating unit trust funds since 1994.

The primary roles, duties and responsibilities of Principal Malaysia as the Manager of the Fund include:

- maintaining a register of Unit holders;
- implementing the appropriate investment strategies to achieve the Fund's 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 proceeding current, pending or threatened against or initiated by Principal Malaysia nor are there any facts likely to give rise to any proceedings which might materially affect the business/financial position of Principal Malaysia.

6.1.1. Designated person responsible for fund management function

Name:	Patrick Chang Chian Ping
Designation:	Chief Investment Officer (CIO), Malaysia & Chief Investment Officer, Equities, ASEAN Region
Experience:	Patrick was appointed as the Chief Investment Officer on 22 February 2016. He comes with an extensive 19 years of experience in asset management and is backed by numerous ASEAN awards from Malaysian pension funds in 2013 and 2015. He was previously the Head of ASEAN equities at BNP Paribas Investment Partners, Malaysia where he was overseeing ASEAN equities for both Malaysian and offshore clients from 2012. Prior to that, he served as Senior Vice President for CIMB-Principal Asset Management Berhad where he specialised in Malaysia, ASEAN and Asia specialist funds. He also worked as a portfolio manager at Riggs and Co International Private Banking in London specialising in managing global ETF portfolios. He also 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 information and/or updated information, please refer to our website at www.principal.com.my.

7. THE TRUSTEE

7.1. ABOUT HSBC (MALAYSIA) TRUSTEE BERHAD

HSBC (Malaysia) Trustee Berhad is a company incorporated in Malaysia since 1937 and registered as a trust company under the Trust Companies Act 1949, with its registered address at 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, CMSA and the GLOLA. 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, CMSA and the GLOLA. In respect of monies paid by an investor for the application of units, the Trustee's responsibility arises when the monies are received in the relevant account of the Trustee for the Fund and in respect of redemption, the Trustee's responsibility is discharged once it has paid the redemption amount to the Manager.

The Trustee has in place anti-money laundering and anti-terrorism financing policies and procedures across the HSBC Group, which may exceed local regulations. Subject to any local regulations, the Trustee shall not be liable for any loss resulting from compliance of such policies, except in the case of negligence, wilful default or fraud of the Trustee.

The Trustee is not liable for doing or failing to do any act for the purpose of complying with law, regulation or court orders.

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 CMSA, GLOLA 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 HSBC Bank Malaysia Berhad and/ or HSBC Nominees (Tempatan) Sdn Bhd. The Hongkong and Shanghai Banking Corporation Ltd is a wholly owned subsidiary of HSBC Holdings Plc, the holding company of the HSBC Group. The custodian's comprehensive custody and clearing services cover traditional settlement processing and safekeeping as well as corporate related services including cash and security reporting, income collection and corporate events processing. All investments are registered in the name of the Trustee for the Fund 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 rise to any proceedings which might materially affect the business/financial position of the Trustee and 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.

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 the CIMB Group, the PFG and the Trustee do not guarantee the repayment of capital.

CLASS INFORMATION

	Class USD	Page
Currency denomination	USD	
Distribution policy	Given the Fund's objective, the class of the Fund is not expected to pay any distribution. Distributions, if any, are at our discretion and will vary from period to period depending on the availability of realised income for distribution and performance of the Fund.	30

FEES & CHARGES

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

Charges	Class USD	Page
Application Fee	Up to 5.00% of the NAV per unit.	22
Withdrawal Penalty	Up to 1.00% of the NAV per unit. Withdrawal Penalty is chargeable if a withdrawal is made within three (3) months from the Commencement Date. Thereafter, no Withdrawal Penalty will be charged. All Withdrawal Penalty will be retained by the Fund.	22
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 will 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 USD35 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.	22
Transfer Fee	A maximum of USD15 may be charged for each transfer.	22
Other charges payable directly by you when purchasing or withdrawing units	Any applicable bank charges and other bank fees incurred as a result of an investment or withdrawal will be borne by you.	

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

Fees	Class USD	Page
Management Fee	Up to 1.80% per annum of the NAV of the Class.	23
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).	23
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.	23
Other fees payable indirectly by you when investing in the Fund	Other fees indirectly incurred by a feeder fund such as dilution adjustment, annual depositary fees and transaction fees of the Target Fund. As such, you are indirectly bearing the dilution adjustment, depositary fees and transaction fees charged at the Target Fund level.	23

Note: Despite the maximum Application Fee disclosed above, you may negotiate with us or Distributors for lower fee or charges. We and our Distributors reserve our sole and absolute discretion to accept or reject your request and without having to assign any reason.

Subject always to the provisions of the Deed and GLOLA, we reserve our sole and absolute discretion without providing any reason whatsoever and at any time to amend, vary, waive and/ or reduce the fees and charges (except for Trustee Fee), whether payable by the Fund, Class, payable by you to the Fund or payable by any other investors to the Fund.

We may for any reason and at any time, waive or reduce: (a) any fees (except the Trustee Fee); (b) other charges payable by you in respect of the Fund; and/ or (c) transactional values including but not limited to the units or amount, for any Unit holder and/ or investments made via any distribution channels or platform.

TRANSACTION INFORMATION

	Class USD	Page
Minimum initial investment	USD1,000 or such other amount as we may decide from time to time.	28
Minimum additional investment	USD500 or such other amount as we may decide from time to time.	28
Minimum withdrawal	500 units or such other number of units as we may decide from time to time.	28
Minimum balance	1,000 units or such other number of units as we may decide from time to time.	29
Regular Savings Plan	Currently, RSP is not available for this Class.	28
Switching	<p>Switching will be conducted based on the value of your investment in the Class. The minimum amount for a switch is subject to:</p> <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 Penalty 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>	29
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.	29
Cooling-off period	For first time Individual Sophisticated Investor investing with us, you have six (6) Business Days from the date the complete application is received and accepted by us or our Distributors. However, Principal Malaysia's staff and person(s) registered with a body approved by the SC to deal in unit trust are not entitled to the cooling-off right.	29

Note: We reserve our sole and absolute discretion without providing any reason whatsoever and at any time to accept, reject, amend, vary, waive and/ or reduce (as the case maybe): (i) You may request for a lower amount or number of units when purchasing units (or additional units) or withdrawing units; and/ or (ii) the minimum balance. 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.

We may for any reason and at any time, waive or reduce: (a) any fees (except the Trustee Fee); (b) other charges payable by you in respect of the Fund; and/ or (c) transactional values including but not limited to the units or amount, for any Unit holder and/or investments made via any distribution channels or platform.

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 you and/or the Fund 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, charges and/or transaction information from time to time, subject to the requirements stipulated in the Deed. Where necessary, we will notify the Trustee, communicate to you and/or seek your approval on the amendments to the fees, charges, transaction information.

ANNEXURE – CLASS AUD-HEDGED

This section is only a summary of the salient information about Class AUD-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 the CIMB Group, the PFG and the Trustee do not guarantee the repayment of capital.

CLASS INFORMATION

	Class AUD-Hedged	Page
Currency denomination	AUD	
Distribution policy	Given the Fund's objective, the class of the Fund is not expected to pay any distribution. Distributions, if any, are at our discretion and will vary from period to period depending on the availability of realised income for distribution and performance of the Fund.	30

FEES & CHARGES

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

Charges	Class AUD-Hedged	Page
Application Fee	Up to 5.00% of the NAV per unit.	22
Withdrawal Penalty	Up to 1.00% of the NAV per unit. Withdrawal Penalty is chargeable if a withdrawal is made within three (3) months from the Commencement Date. Thereafter, no Withdrawal Penalty will be charged. All Withdrawal Penalty will be retained by the Fund.	22
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 will 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 AUD35 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.	22
Transfer Fee	A maximum of AUD15 may be charged for each transfer.	22
Other charges payable directly by you when purchasing or withdrawing units	Any applicable bank charges and other bank fees incurred as a result of an investment or withdrawal will be borne by you.	

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

Fees	Class AUD-Hedged	Page
Management Fee	Up to 1.80% per annum of the NAV of the Class.	23
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).	23
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.	23
Other fees payable indirectly by you when investing in the Fund	Other fees indirectly incurred by a feeder fund such as dilution adjustment, annual depositary fees and transaction fees of the Target Fund. As such, you are indirectly bearing the dilution adjustment, depositary fees and transaction fees charged at the Target Fund level.	23

Note: Despite the maximum Application Fee disclosed above, you may negotiate with us or Distributors for lower fee or charges. We and our Distributors reserve our sole and absolute discretion to accept or reject your request and without having to assign any reason.

Subject always to the provisions of the Deed and GLOLA, we reserve our sole and absolute discretion without providing any reason whatsoever and at any time to amend, vary, waive and/ or reduce the fees and charges (except for Trustee Fee), whether payable by the Fund, Class, payable by you to the Fund or payable by any other investors to the Fund.

We may for any reason and at any time, waive or reduce: (a) any fees (except the Trustee Fee); (b) other charges payable by you in respect of the Fund; and/ or (c) transactional values including but not limited to the units or amount, for any Unit holder and/ or investments made via any distribution channels or platform.

TRANSACTION INFORMATION

	Class AUD-Hedged	Page
Minimum initial investment	AUD1,000 or such other amount as we may decide from time to time.	28
Minimum additional investment	AUD500 or such other amount as we may decide from time to time.	28
Minimum withdrawal	500 units or such other number of units as we may decide from time to time.	28
Minimum balance	1,000 units or such other number of units as we may decide from time to time.	29
Regular Savings Plan	Currently, RSP is not available for this Class.	28
Switching	<p>Switching will be conducted based on the value of your investment in the Class. The minimum amount for a switch is subject to:</p> <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 Penalty 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>	29
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.	29
Cooling-off period	For first time Individual Sophisticated Investor investing with us, you have six (6) Business Days from the date the complete application is received and accepted by us or our Distributors. However, Principal Malaysia's staff and person(s) registered with a body approved by the SC to deal in unit trust are not entitled to the cooling-off right.	29

Note: We reserve our sole and absolute discretion without providing any reason whatsoever and at any time to accept, reject, amend, vary, waive and/ or reduce (as the case maybe): (i) You may request for a lower amount or number of units when purchasing units (or additional units) or withdrawing units; and/ or (ii) the minimum balance. 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.

We may for any reason and at any time, waive or reduce: (a) any fees (except the Trustee Fee); (b) other charges payable by you in respect of the Fund; and/ or (c) transactional values including but not limited to the units or amount, for any Unit holder and/or investments made via any distribution channels or platform.

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 you and/or the Fund 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, charges and/or transaction information from time to time, subject to the requirements stipulated in the Deed. Where necessary, we will notify the Trustee and communicate to you and/or seek your approval on the amendments to the fees, charges and/or 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 the CIMB Group, the PFG and the Trustee do not guarantee the repayment of capital.

CLASS INFORMATION

	Class MYR-Hedged	Page
Currency denomination	MYR	
Distribution policy	Given the Fund's objective, the class of the Fund is not expected to pay any distribution. Distributions, if any, are at our discretion and will vary from period to period depending on the availability of realised income for distribution and performance of the Fund.	30

FEES & CHARGES

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

Charges	Class MYR-Hedged	Page
Application Fee	Up to 5.00% of the NAV per unit.	22
Withdrawal Penalty	Up to 1.00% of the NAV per unit. Withdrawal Penalty is chargeable if a withdrawal is made within three (3) months from the Commencement Date. Thereafter, no Withdrawal Penalty will be charged. All Withdrawal Penalty will be retained by the Fund.	22
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 will 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 MYR100 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.	22
Transfer Fee	A maximum of MYR50 may be charged for each transfer.	22
Other charges payable directly by you when purchasing or withdrawing units	Any applicable bank charges and other bank fees incurred as a result of an investment or withdrawal will be borne by you.	

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

Fees	Class MYR-Hedged	Page
Management Fee	Up to 1.80% per annum of the NAV of the Class.	23
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).	23
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.	23
Other fees payable indirectly by you when investing in the Fund	Other fees indirectly incurred by a feeder fund such as dilution adjustment, annual depositary fees and transaction fees of the Target Fund. As such, you are indirectly bearing the dilution adjustment, depositary fees and transaction fees charged at the Target Fund level.	23

Note: Despite the maximum Application Fee disclosed above, you may negotiate with us or Distributors for lower fee or charges. We and our Distributors reserve our sole and absolute discretion to accept or reject your request and without having to assign any reason.

Subject always to the provisions of the Deed and GLOLA, we reserve our sole and absolute discretion without providing any reason whatsoever and at any time to amend, vary, waive and/ or reduce the fees and charges (except for Trustee Fee), whether payable by the Fund, Class, payable by you to the Fund or payable by any other investors to the Fund.

We may for any reason and at any time, waive or reduce: (a) any fees (except the Trustee Fee); (b) other charges payable by you in respect of the Fund; and/ or (c) transactional values including but not limited to the units or amount, for any Unit holder and/ or investments made via any distribution channels or platform.

TRANSACTION INFORMATION

	Class MYR-Hedged	Page
Minimum initial investment	MYR1,000 or such other amount as we may decide from time to time.	28
Minimum additional investment	MYR500 or such other amount as we may decide from time to time.	28
Minimum withdrawal	500 units or such other number of units as we may decide from time to time.	28
Minimum balance	1,000 units or such other number of units as we may decide from time to time.	29
Regular Savings Plan	RSP is available. The RSP allows you to make regular monthly investments of MYR500 or more, direct from your account held with a bank approved by us or our Distributors. The minimum initial investment for the RSP is MYR1,000 or such other amount as we may decide from time to time.	28
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 Penalty 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>	29
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.	29
Cooling-off period	For first time Individual Sophisticated Investor investing with us, you have six (6) Business Days from the date the complete application is received and accepted by us or our Distributors. However, Principal Malaysia's staff and person(s) registered with a body approved by the SC to deal in unit trust are not entitled to the cooling-off right.	29

Note: We reserve our sole and absolute discretion without providing any reason whatsoever and at any time to accept, reject, amend, vary, waive and/ or reduce (as the case maybe): (i) You may request for a lower amount or number of units when purchasing units (or additional units) or withdrawing units; and/ or (ii) the minimum balance. 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.

We may for any reason and at any time, waive or reduce: (a) any fees (except the Trustee Fee); (b) other charges payable by you in respect of the Fund; and/ or (c) transactional values including but not limited to the units or amount, for any Unit holder and/or investments made via any distribution channels or platform.

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 you and/or the Fund 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, charges and/or transaction information. from time to time, subject to the requirements stipulated in the Deed. Where necessary, we will notify the Trustee and communicate to you and/or seek your approval on the amendments to the fees, charges and/or transaction information.

ANNEXURE – CLASS SGD-HEDGED

This section is only a summary of the salient information about Class SGD-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 the CIMB Group, the PFG and the Trustee do not guarantee the repayment of capital.

CLASS INFORMATION

	Class SGD-Hedged	Page
Currency denomination	SGD	
Distribution policy	Given the Fund's objective, the class of the Fund is not expected to pay any distribution. Distributions, if any, are at our discretion and will vary from period to period depending on the availability of realised income for distribution and performance of the Fund.	30

FEES & CHARGES

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

Charges	Class SGD-Hedged	Page
Application Fee	Up to 5.00% of the NAV per unit.	22
Withdrawal Penalty	Up to 1.00% of the NAV per unit. Withdrawal Penalty is chargeable if a withdrawal is made within three (3) months from the Commencement Date. Thereafter, no Withdrawal Penalty will be charged. All Withdrawal Penalty will be retained by the Fund.	22
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 will 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 SGD35 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.	22
Transfer Fee	A maximum of SGD15 may be charged for each transfer.	22
Other charges payable directly by you when purchasing or withdrawing units	Any applicable bank charges and other bank fees incurred as a result of an investment or withdrawal will be borne by you.	

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

Fees	Class SGD-Hedged	Page
Management Fee	Up to 1.80% per annum of the NAV of the Class.	23
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).	23
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.	23
Other fees payable indirectly by you when investing in the Fund	Other fees indirectly incurred by a feeder fund such as dilution adjustment, annual depositary fees and transaction fees of the Target Fund. As such, you are indirectly bearing the dilution adjustment, depositary fees and transaction fees charged at the Target Fund level.	23

Note: Despite the maximum Application Fee disclosed above, you may negotiate with us or Distributors for lower fee or charges. We and our Distributors reserve our sole and absolute discretion to accept or reject your request and without having to assign any reason.

Subject always to the provisions of the Deed and GLOLA, we reserve our sole and absolute discretion without providing any reason whatsoever and at any time to amend, vary, waive and/ or reduce the fees and charges (except for Trustee Fee), whether payable by the Fund, Class, payable by you to the Fund or payable by any other investors to the Fund.

We may for any reason and at any time, waive or reduce: (a) any fees (except the Trustee Fee); (b) other charges payable by you in respect of the Fund; and/ or (c) transactional values including but not limited to the units or amount, for any Unit holder and/ or investments made via any distribution channels or platform.

TRANSACTION INFORMATION

	Class SGD-Hedged	Page
Minimum initial investment	SGD1,000 or such other amount as we may decide from time to time.	28
Minimum additional investment	SGD500 or such other amount as we may decide from time to time.	28
Minimum withdrawal	500 units or such other number of units as we may decide from time to time.	28
Minimum balance	1,000 units or such other number of units as we may decide from time to time.	29
Regular Savings Plan	Currently, RSP is not available for this Class.	28
Switching	<p>Switching will be conducted based on the value of your investment in the Class. The minimum amount for a switch is subject to:</p> <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 Penalty 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>	29
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.	29
Cooling-off period	For first time Individual Sophisticated Investor investing with us, you have six (6) Business Days from the date the complete application is received and accepted by us or our Distributors. However, Principal Malaysia's staff and person(s) registered with a body approved by the SC to deal in unit trust are not entitled to the cooling-off right.	29

Note: We reserve our sole and absolute discretion without providing any reason whatsoever and at any time to accept, reject, amend, vary, waive and/ or reduce (as the case maybe): (i) You may request for a lower amount or number of units when purchasing units (or additional units) or withdrawing units; and/ or (ii) the minimum balance. 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.

We may for any reason and at any time, waive or reduce: (a) any fees (except the Trustee Fee); (b) other charges payable by you in respect of the Fund; and/ or (c) transactional values including but not limited to the units or amount, for any Unit holder and/or investments made via any distribution channels or platform.

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 you and/or the Fund 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, charges and/or transaction information. from time to time, subject to the requirements stipulated in the Deed. Where necessary, we will notify the Trustee and communicate to you and/or seek your approval on the amendments to the fees, charges and/or transaction information..

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