

Information Memorandum

10 July 2020

Principal Heritage Series

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

Trustee : Deutsche Trustees Malaysia Berhad (200701005591 (763590-H))

This Information Memorandum is dated 10 July 2020 and incorporates the following Funds:

- Principal Heritage Income Fund
- Principal Heritage Balanced Fund
- Principal Heritage Growth Fund

The Funds were constituted on 21 April 2020.

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

THE FUNDS ARE MULTI-CLASS FUNDS AND ARE ALLOWED TO ESTABLISH NEW CLASS(ES) FROM TIME TO TIME AS MAY BE DETERMINED BY THE MANAGER.

ABOUT THIS DOCUMENT

This is an information memorandum which introduces you to Principal Asset Management Berhad (“Principal Malaysia”) and the Principal Heritage Series. This Information Memorandum outlines in general the information you need to know about the Funds 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 Funds are 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 Funds, 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 at 03-7718 3000 between 8:45 a.m. and 5:45 p.m. (Malaysia time) on Mondays to Thursdays and between 8:45 a.m. and 4:45 p.m.(Malaysia time) on Fridays (except on Selangor public holidays).

Unless otherwise indicated, any reference in this Information Memorandum to any rules, regulations, guidelines, standards, directives, notices, 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notices, legislations or statutes for the time being in force, as may be amended, varied, modified, updated, superseded and/or re-enacted from time to time.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 Funds is SGD, please note that all references to currency amounts and NAV per unit in the Information Memorandum are in SGD 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. |
| Business Day | - Mondays to Fridays when Bursa Malaysia Securities Berhad is open for trading, and banks in Kuala Lumpur and/or Selangor are open for business. In respect of the Target Funds, it means every day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for business in Singapore or any other day as the Target Fund Manager and the trustee may agree in writing. 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 Manager declares a non-dealing day. This information will be communicated to you via our website at http://www.principal.com.my . |
| CIMB Group | - CIMB Group Sdn. Bhd. |
| CIS | - Collective investment scheme. |
| Class | - Any class of units representing similar interests in the assets of the Fund. |
| Class MYR-Hedged | - The Class of units issued by the Funds denominated in MYR that aims to minimize the effect of exchange rate fluctuations between the base currency of the Funds (i.e. SGD) and MYR. |
| Class SGD | - The Class of units issued by the Funds denominated in SGD. |
| CMSA | - Capital Markets and Services Act 2007. |
| Commencement Date | - The next Business Day immediately following the end of the initial offer period. |
| Code | - Refers to the Code on Collective Investment Schemes issued by the MAS. |
| Deed | - The principal 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. |
| Distributors | - Any relevant persons and bodies appointed by Principal Malaysia from time to time, who are responsible for selling units of the Fund, including IUTAs. |
| FDI | - Financial derivative instruments. |
| FIMM | - Federation of Investment Managers Malaysia. |
| Fullerton Lux Funds | - Refers to the open-ended investment company organised as a société anonyme under the laws of the Grand Duchy of Luxembourg and qualifies as a société d’investissement à capital variable (“SICAV”) under Part I of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment (the “2010 Law”). |
| Fund(s) | - Refers to each of the Funds under the Principal Heritage Series, namely: <ul style="list-style-type: none"> ▪ Principal Heritage Income Fund PH-I ▪ Principal Heritage Balanced Fund PH-B ▪ Principal Heritage Growth Fund PH-G |
| GLOLA | - SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework. |
| Information Memorandum | - Refers to the information memorandum in respect of the Funds and includes any supplemental information memorandum or replacement information memorandum, as the case may be. |
| IUTA | - Institutional Unit Trust Schemes Adviser. |
| LPD | - Latest Practicable Date, i.e. 31 May 2020, 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. |
| MAS | - Monetary Authority of Singapore. |
| 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 and its affiliates. |
| PIA | - | Principal International (Asia) Ltd. |
| Principal Malaysia, the Manager, we or us | - | Principal Asset Management Berhad. |
| Prospectus | - | Refers to the prospectus in respect of the Target Funds and includes any supplemental prospectus, addendum or replacement prospectus, as the case may be. The Prospectus is available for download at http://www.fullertonfund.com . |
| RMB | - | Renminbi. |
| RSP | - | Regular Savings Plan. |
| SC | - | Securities Commission Malaysia. |
| 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 http://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(s) | - | Refers to the respective CIS that the Funds invests predominantly in. <ul style="list-style-type: none"> ▪ Fullerton SGD Heritage Income FSH-Income ▪ Fullerton SGD Heritage Balanced FSH-Balanced ▪ Fullerton SGD Heritage Growth FSH-Growth |
| Target Fund Manager or Fullerton FMC | - | Fullerton Fund Management Company Ltd. |
| Transfer Fee | - | A nominal fee levied for each transfer of units from one Unit holder to another. |
| Trustee | - | Deutsche Trustees Malaysia 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. |
| UK | - | United Kingdom. |
| Underlying Funds | - | Refers to the CIS that the Target Funds may invest in. It consists of sub-funds under the Fullerton Lux Funds and other sub-funds under the Fullerton Fund. |
| 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 charge 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. FUND DETAILS

1.1.1. PRINCIPAL HERITAGE INCOME FUND

| | | |
|----------------------------|---|--|
| Fund Category/Type | : | Feeder fund/ Income & Growth |
| Fund Objective | : | The Fund aims to provide income and capital growth through investments in one (1) collective investment scheme, which invests in a diversified portfolio of mixed asset. <i>We will require your approval if there is any material change to the Fund's investment objective.</i> |
| Benchmark | : | The Fund adheres to the benchmark of the Target Fund for performance comparison. Currently, FSH-Income has no benchmark. |
| 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 47 for information on the distribution payment. |
| Base Currency | : | SGD |
| Classes | : | Please refer to page 7 for information on classes available for sale. You may also refer to the Annexure of the respective Class for more information. |

Investment Policy and Strategy

The Fund is a feeder fund and it invests in a single CIS, i.e. Fullerton SGD Heritage Income ("FSH-Income"). The Fund may also invest in liquid assets for liquidity purpose.

In order to achieve its investment objective, the Fund will invest at least 95% of its NAV in FSH-Income and may also invest up to 5% of its NAV in liquid assets for liquidity purpose. FSH-Income was established on 21 May 2019 under the Fullerton Fund; a Singapore-constituted umbrella unit trust.

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 FSH-Income, 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 FSH-Income in either bullish or bearish market conditions. However, the Target Fund Manager may take temporary defensive position when deemed necessary.

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

We will employ risk management strategy at the Fund level, where we will continuously monitor the investment objective, performance and suitability of FSH-Income to ensure that it is in line with the investment objective of the Fund. If we are of the opinion that FSH-Income no longer meets the Fund's investment objective, we may, with your approval, replace FSH-Income with another CIS that is in line with the Fund's objective. In such circumstances, we will withdraw our investment in FSH-Income and invest in another CIS on a staggered basis for a smooth transition, if FSH-Income 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 FSH-Income 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 investment 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 B of FSH-Income, which is denominated in SGD. The Fund may change its entire investment into another class of FSH-Income (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 21 under the "FULLERTON SGD HERITAGE INCOME ("FSH-INCOME")" for more information.

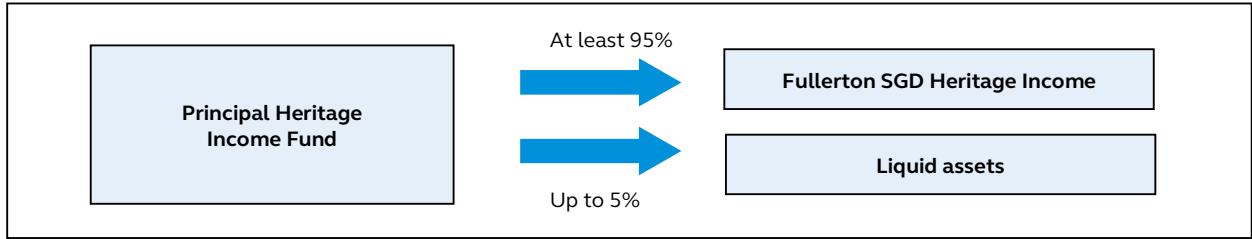
Note:

* *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 FSH-Income or newly identified target fund.*

Information on the Target Fund

| | | |
|-----------------------|---|--|
| Target Fund | : | Fullerton SGD Heritage Income ("FSH-Income") |
| Share class | : | Class B |
| Currency Denomination | : | SGD |

| | | |
|----------------------|---|--|
| Target Fund Manager | : | Fullerton Fund Management Company Ltd. |
| Regulatory authority | : | Monetary Authority of Singapore |



Asset Allocation

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

1.1.2. PRINCIPAL HERITAGE BALANCED FUND

| | | |
|----------------------------|---|--|
| Fund Category/Type | : | Feeder fund/ Income & Growth |
| Fund Objective | : | The Fund aims to provide income and capital growth through investments in one (1) collective investment scheme, which invests in a diversified portfolio of mixed asset. <i>We will require your approval if there is any material change to the Fund's investment objective.</i> |
| Benchmark | : | The Fund adheres to the benchmark of the Target Fund for performance comparison. Currently, FSH-Balanced has no benchmark. |
| 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 47 for information on the distribution payment. |
| Base Currency | : | SGD |
| Classes | : | Please refer to page 7 for information on classes available for sale. You may also refer to the Annexure of the respective Class for more information. |

Investment Policy and Strategy

The Fund is a feeder fund and it invests in a single CIS, i.e. Fullerton SGD Heritage Balanced (“FSH-Balanced”). The Fund may also invest in liquid assets for liquidity purpose.

In order to achieve its investment objective, the Fund will invest at least 95% of its NAV in FSH-Balanced and may also invest up to 5% of its NAV in liquid assets for liquidity purpose. FSH-Balanced was established on 21 May 2019 under the Fullerton Fund; a Singapore-constituted umbrella unit trust.

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 FSH-Balanced, 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 FSH-Balanced in either bullish or bearish market conditions. However, the Target Fund Manager may take temporary defensive position when deemed necessary.

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

We will employ risk management strategy at the Fund level, where we will continuously monitor the investment objective, performance and suitability of FSH-Balanced to ensure that it is in line with the investment objective of the Fund. If we are of the opinion that FSH-Balanced no longer meets the Fund's investment objective, we may, with your approval, replace FSH-Balanced with another CIS that is in line with the Fund's objective. In such circumstances, we will withdraw our investment in FSH-Balanced and invest in another CIS on a staggered basis for a smooth transition, if FSH-Balanced 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 FSH-Balanced 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 investment 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.

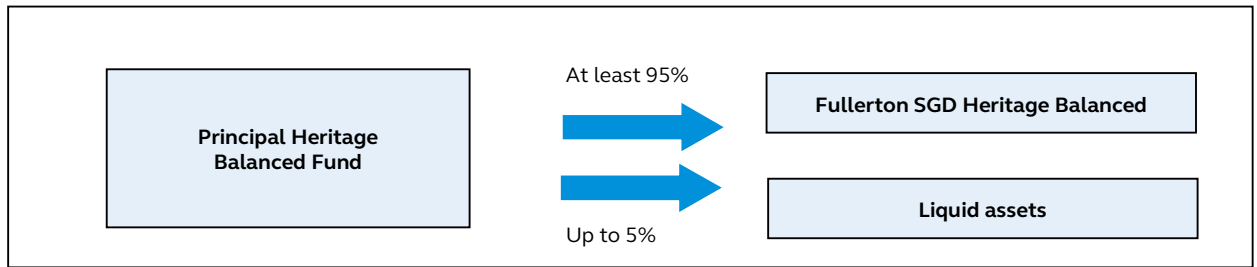
Currently, the Fund invests in Class B of FSH-Balanced, which is denominated in SGD. The Fund may change its entire investment into another class of FSH-Balanced (which must be denominated in the same currency) if we are of the opinion that the change is in the interest of the Unit holders. If we wish to effect such change, we will seek concurrence from the Trustee and you will be notified before implementation. Please refer to page 25 under the “FULLERTON SGD HERITAGE BALANCED (“FSH-BALANCED”)” 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 FSH-Balanced or newly identified target fund.*

Information on the Target Fund

| | | |
|-----------------------|---|--|
| Target Fund | : | Fullerton SGD Heritage Balanced (“FSH-Balanced”) |
| Share class | : | Class B |
| Currency denomination | : | SGD |
| Target Fund Manager | : | Fullerton Fund Management Company Ltd. |
| Regulatory authority | : | Monetary Authority of Singapore |



Asset Allocation

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

1.1.3. PRINCIPAL HERITAGE GROWTH FUND

| | | |
|----------------------------|---|--|
| Fund Category/Type | : | Feeder fund/ Income & Growth |
| Fund Objective | : | The Fund aims to provide income and capital growth through investments in one (1) collective investment scheme, which invests in a diversified portfolio of mixed asset. <i>We will require your approval if there is any material change to the Fund's investment objective.</i> |
| Benchmark | : | The Fund adheres to the benchmark of the Target Fund for performance comparison. Currently, FSH-Growth has no benchmark. |
| 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 47 for information on the distribution payment. |
| Base Currency | : | SGD |
| Classes | : | Please refer to page 7 for information on classes available for sale. You may also refer to the Annexure of the respective Class for more information. |

Investment Policy and Strategy

The Fund is a feeder fund and it invests in a single CIS, i.e. Fullerton SGD Heritage Growth ("FSH-Growth"). The Fund may also invest in liquid assets for liquidity purpose.

In order to achieve its investment objective, the Fund will invest at least 95% of its NAV in FSH-Growth and may also invest up to 5% of its NAV liquid assets for liquidity purpose. FSH-Growth was established on 21 May 2019 under the Fullerton Fund; a Singapore-constituted umbrella unit trust.

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 FSH-Growth, 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 FSH-Growth in either bullish or bearish market conditions. However, the Target Fund Manager may take temporary defensive position when deemed necessary.

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

We will employ risk management strategy at the Fund level, where we will continuously monitor the investment objective, performance and suitability of FSH-Growth to ensure that it is in line with the investment objective of the Fund. If we are of the opinion that FSH-Growth no longer meets the Fund's investment objective, we may, with your approval, replace FSH-Growth with another CIS that is in line with the Fund's objective. In such circumstances, we will withdraw our investment in FSH-Growth and invest in another CIS on a staggered basis for a smooth transition, if FSH-Growth 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 FSH-Growth 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 investment 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.

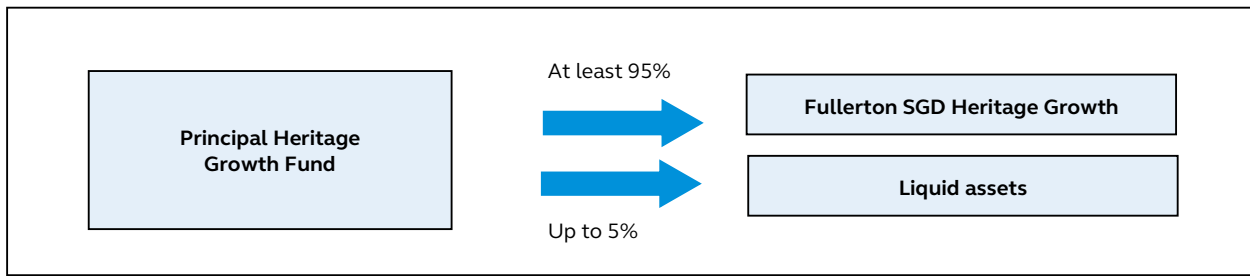
Currently, the Fund invests in Class B of FSH-Growth, which is denominated in SGD. The Fund may change its entire investment into another class of FSH-Growth (which must be denominated in the same currency) if we are of the opinion that the change is in the interest of the Unit holders. If we wish to effect such change, we will seek concurrence from the Trustee and you will be notified before implementation. Please refer to page 29 under the "FULLERTON SGD HERITAGE GROWTH ("FSH-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 FSH-Growth or newly identified target fund.*

Information on the Target Fund

| | | |
|----------------------|---|--|
| Target Fund | : | Fullerton SGD Heritage Growth ("FSH-Growth") |
| Share class | : | Class B |
| Currency denominated | : | SGD |
| Target Fund Manager | : | Fullerton Fund Management Company Ltd. |
| Regulatory authority | : | Monetary Authority of Singapore |



Asset Allocation

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

1.2. CLASSES OF THE FUNDS

1.2.1 Multi-class Structure

Please note that the Funds are 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 Funds. You should note that the Funds can establish new Class(es) from time to time without your prior consent.

Under the Deed, Unit holders of each Class have the same rights and obligations. Each Class may be different in terms of currency denomination, fees and charges and/or distribution policy and hence, will have its respective NAV per unit, taking into account the aforementioned features. Although the Fund has multiple Classes, you 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 sole and absolute discretion to issue other classes of units to the Funds for sale in the future and a supplemental or replacement information memorandum will be issued. This information will be communicated to you via our website at <http://www.principal.com.my>. You should consult your professional advisers for better understanding of the multi-class structure before investing in the Funds.

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

| Fund | Name of Class | Launch date* | Initial offer period | Initial offer price per unit |
|----------------------------------|------------------|--------------|----------------------|------------------------------|
| Principal Heritage Income Fund | Class SGD | 10 July 2020 | Up to 21 days | SGD 1.0000 |
| | Class MYR-Hedged | 10 July 2020 | Up to 21 days | MYR 1.0000 |
| Principal Heritage Balanced Fund | Class SGD | 10 July 2020 | Up to 21 days | SGD 1.0000 |
| | Class MYR-Hedged | 10 July 2020 | Up to 21 days | MYR 1.0000 |
| Principal Heritage Growth Fund | Class SGD | 10 July 2020 | Up to 21 days | SGD 1.0000 |
| | Class MYR-Hedged | 10 July 2020 | Up to 21 days | MYR 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 <http://www.principal.com.my>.

1.3. PERMITTED INVESTMENTS

The Funds 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 hedging purposes; 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.

1.4. INVESTMENT RESTRICTIONS AND LIMITS

The Funds are subjected to the following investment restrictions and limits:

CIS: The Funds must invest at least 95% in one (1) CIS.

Liquid assets: The Funds may invest up to 5% of the NAV of the Fund in liquid assets. The Funds 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 Funds.

1.5. APPROVALS AND CONDITIONS

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

1.6. BORROWINGS OR FINANCING

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

1.7. SECURITIES LENDING

Not applicable to the Funds.

1.8. RISK FACTORS

1.8.1. 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 investment objective will be achieved.

Market risk

Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the fund's NAV.

Inflation risk

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

1.8.2. SPECIFIC RISK RELATED TO THE FUNDS

Currency risk

You should be aware that currency risk is applicable to Class(es) (e.g. Class MYR) which is in a different currency than the base currency of the Funds (i.e. SGD). 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 Funds. 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 Funds. You should also note that hedging incurs costs, in which will impact the NAV of a hedged Class.

Manager risk

Since the Fund invests into CIS that is managed by another manager, the Target Fund 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 Singapore, the Fund's investments in the Target Fund may be affected by risks specific to Singapore. Such risks include adverse changes in Singapore'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.

Risk associated with income distributions

As the Fund invests predominantly in the Target Fund, the Fund's ability to distribute income will be subject to the performance of the Target Fund. In addition, the Target Fund Manager considers coupons, dividends and realised capital gains as income, while unrealised capital gains are considered as capital. The Target Fund Manager may distribute income out of capital, and it is equivalent to a reduction or return of an investor's initial capital. Please refer to Section 1.8.4 "Specific Risk Related to the Target Fund" for more information on risk associated with income distribution at Target Fund level.

1.8.3. GENERAL RISKS ASSOCIATED WITH INVESTMENTS IN THE TARGET FUNDS

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

- Investors should consider the risks of investing in the Target Funds, including market risk, currency risk, credit risk, interest rate risk and liquidity risk. The risks described below and in the Annexes of the Prospectus are not exhaustive and there may be additional risks the Target Fund Manager presently do not know or are currently considered immaterial.
- An investment in the Target Fund is meant to produce returns by capital appreciation over the medium-term to long-term. Investors should not expect short-term gains.
- The value of units and the income accruing to them may fall or rise. Investors may not get back your original investment.
- The Target Funds are not listed and there is no secondary market for the units. Investors may realise their units on dealing days only.
- Investor's investment may be adversely affected by political instability, exchange controls, changes in taxation, foreign investment policies and other restrictions and controls which may be imposed by the authorities in the relevant countries of the underlying assets of the Target Fund. The value of the underlying assets of the Target Fund may be affected by uncertainties such as international political developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investments may be made. Further, the legal infrastructure and accounting, auditing and reporting standards in certain countries may not provide the same degree of investor protection or disclosure as would generally apply in major securities markets.
- Credit ratings represent the rating agencies' and/or the Target Fund Manager's opinions regarding the credit quality of the institutions or the instruments invested into by the Target Fund. They are not a guarantee of quality. Rating methodologies generally rely on historical data, which may not predict future trends. It may take time for credit ratings to be adjusted in response to change of circumstances. Where the Target Fund Manager rely on ratings issued by credit rating agencies, the Target Fund Manager has established a set of internal credit assessment standards and have put in place a credit assessment process to ensure that the Target Fund's investments are in line with these standards. Information on the Target Fund Manager's credit assessment process will be made available to investors upon request and subject to such conditions as the Target Fund Manager may impose.
- The Target Fund Manager may rely, without independent investigation, upon pricing information and valuations furnished by third parties, including pricing services and independent brokers/dealers. Their accuracy depends on these parties' methodologies, due diligence and timely response to changing conditions, and the Target Fund Manager has no control over or responsibility for failures in such valuations.
- Institutional investors may hold substantial holdings in the Target Fund. Although they will not have control over the Target Fund Manager's investment decisions, their actions may have a material effect on the Target Fund. For example, the Target Fund may have to liquidate assets at a time and in a way that is not the most economically advantageous in order to meet substantial realisations of units by an institutional investor over a short time. This could adversely affect the value of the Target Fund's assets.
- Under certain market conditions, it may be difficult or impossible to liquidate or rebalance positions. For example, this may occur during volatile markets or crisis situations or where trading under the rules of the relevant stock exchange is suspended, restricted or otherwise impaired. During such times, the Target Fund may be unable to dispose of certain assets due to thin trading or lack of a market or buyers. Placing a stop-loss order may not necessarily limit the Target Fund's losses to intended amounts, as market conditions may make it impossible to execute such an order at the ideal price. In addition, such circumstances may force the Target Fund to dispose of assets at reduced prices, thereby adversely affecting that Target Fund's performance. Further, such investments may be difficult to value with any degree of accuracy or certainty. The dumping of securities in the market could further deflate prices. If the Target Fund incurs substantial trading losses, the need for liquidity could rise sharply at the same time that access to liquidity is impaired. Further, in a market downturn, the Target Fund's counterparties' financial conditions could be weakened, thereby increasing the Target Fund's credit risk exposure to them.
- The assets and liabilities of each sub-fund under the Fullerton Fund, which includes FSH-Income, FSH-Balanced and FSH-Growth will be tracked, for book keeping purposes, separately from the assets and liabilities of any other sub-fund, and the deed provides that the assets of each sub-fund should be segregated from each other sub-fund. Generally, under Singapore law, the assets of a sub-fund should not be available to meet the liabilities of another sub-fund. However, as the sub-funds may operate and have assets held or be subject to claims in other jurisdictions, which may not recognise such segregation. In such circumstances, the assets of a sub-fund may be used to satisfy the liabilities of any other sub-fund. There is no guarantee that the courts of any jurisdiction outside of Singapore will respect the limitations on liability and that the assets of any particular sub-fund will not be used to satisfy the liabilities of any other sub-fund.

Any financial instruments used to implement hedging strategies with respect to one or more classes of a fund shall be assets and/or liabilities of such fund as a whole, but will be attributable to the relevant class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant class. However, due to the lack of segregated liabilities between classes of the same fund, there may be a possibility that hedging transactions in relation to a specific class could result in liabilities which might affect the NAV of the other classes of the same fund.

- The Target Fund Manager conduct transactions through or with brokers, clearing houses, market counterparties and other agents. The assets of the funds are held by the custodian and/or the sub-custodians appointed in various jurisdictions. The Target Funds will be subject to the risk of the inability of any such counterparty or custodian to perform its obligations, whether due to insolvency, bankruptcy or other causes. The Target Funds may invest in instruments such as notes, bonds or warrants the performance of which is linked to a market or investment. Such instruments are issued by a range of

counterparties and through its investment, the Target Fund will be exposed to the counterparty (or credit) risk of the issuer, in addition to the investment exposure it seeks.

- The Target Fund may make distributions to holders out of its income and/or (if income is insufficient) out of its capital. Any distributions made (whether out of income and/or capital) may cause the NAV of the Target Fund to fall. Further, distributions out of the capital may amount to a partial return of investor's original investment and may result in reduced future returns for investor. Please note that if distributions are made, such distributions are not a forecast, indication or projection of the future performance of the Target Fund. Unless otherwise stated in the relevant Annex in the Prospectus, distributions are at the Target Fund Manager's discretion and are not guaranteed, and the making of any distribution does not imply that further distributions will be made and the Target Fund Manager reserve the right to vary the frequency and/or amount of distributions (if at all).
- The Target Fund may invest and have direct access to certain eligible China "A" Shares (as defined below) via the stock connects (as defined below).

The Shanghai-Hong Kong Stock Connect is a securities trading and clearing links programme developed by Hong Kong Exchanges and Clearing Limited ("HKEx"), Shanghai Stock Exchange ("SSE") and China Securities Depository and Clearing Corporation Limited ("ChinaClear"). The Shenzhen-Hong Kong Stock Connect is a securities trading and clearing links programme developed by HKEx, Shenzhen Stock Exchange ("SZSE") and ChinaClear (the Shanghai-Hong Kong Stock Connect, the Shenzhen-Hong Kong Stock Connect and any other similar programme(s) which may be introduced from time to time, being collectively referred to as the "Stock Connects"). The aim of the Stock Connects is to achieve mutual stock market access between the People's Republic of China (excluding the Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan) ("PRC" or "China") and Hong Kong.

The Shanghai-Hong Kong Stock Connect comprises a Northbound Shanghai Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shanghai Trading Link, Hong Kong and overseas investors (including the Sub-Fund), through their Hong Kong brokers and a securities trading service company established by the Stock Exchange of Hong Kong Limited ("SEHK"), may be able to trade eligible China "A" Shares listed on SSE by routing orders to SSE.

The Shenzhen-Hong Kong Stock Connect comprises a Northbound Shenzhen Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shenzhen Trading Link, Hong Kong and overseas investors (including the Sub-Fund), through their Hong Kong brokers and a securities trading service company established by SEHK, may be able to trade eligible China "A" Shares listed on the SZSE by routing orders to SZSE.

"A" Shares are shares issued by PRC companies, denominated in RMB (CNY) and traded on the PRC Stock Exchanges. "PRC Stock Exchanges" means SSE, SZSE and any other stock exchange that may open in the PRC in the future.

Eligible Securities

(i) Shanghai-Hong Kong Stock Connect

Under the Shanghai-Hong Kong Stock Connect, Hong Kong and overseas investors (including the Target Fund) are able to trade selective stocks listed on the SSE market (i.e. "SSE Securities"). These include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed China "A" Shares that are not included as constituent stocks of the relevant indices but which have corresponding "H" shares listed on SEHK, except the following:

- SSE-listed shares which are not traded in RMB; and
- SSE-listed shares which are included in the "risk alert".

(ii) Shenzhen-Hong Kong Stock Connect

Under the Shenzhen-Hong Kong Stock Connect, Hong Kong and overseas investors (including the Target Fund) are able to trade selective stocks listed on the SZSE market (i.e. "SZSE Securities"). These include all the constituent stocks of the SZSE Component Index and SZSE Small/Mid Cap Innovation Index which has a market capitalisation of not less than RMB 6 billion, and all the SZSE-listed China "A" Shares which have corresponding "H" shares listed on SEHK, except the following:

- SZSE-listed shares which are not traded in RMB; and
- SZSE-listed shares which are included in the "risk alert" or under delisting arrangement.

It is expected that both lists of SSE Securities and SZSE Securities will be subject to review and approval by the relevant regulatory bodies from time to time. Further information about the Stock Connects is available online at the website: <http://www.hkex.com.hk/mutualmarket>.

Risks associated with the Stock Connects

(i) Quota limitations risk

The stock connects are subject to quota limitations. Trading under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect will be subject to a daily quota respectively ("Daily Quota"). The Daily Quota will apply on a "net buy" basis. In particular, once the remaining balance of the Northbound Daily Quota drops to zero or the Northbound Daily Quota is exceeded during the opening call auction session, new buy orders will be rejected (though investors will be allowed to sell their crossboundary securities regardless of the quota balance). Therefore, quota limitations may restrict the Sub-Fund's ability to invest in China "A" Shares through the Stock Connects on a timely basis, and the Sub-Fund may not be able to effectively pursue its investment strategies.

(ii) Suspension risk

Each of the SEHK, SSE and SZSE reserves the right to suspend Northbound and/or Southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound trading through the Stock Connects is effected, the Target Fund's ability to access the PRC market will be adversely affected.

(iii) Differences in trading days

The stock connects only operate on days when both the PRC and Hong Kong Stock Exchanges are open for trading and when banks in both markets are open on the corresponding settlement days. Therefore, it is possible that there are occasions when it is a normal trading day for the PRC Stock Exchanges but Hong Kong Stock Exchanges or banks are closed and overseas investors (such as the Target Fund) cannot carry out any China "A" Shares trading. Due to the differences in trading days, the Target Fund may be subject to a risk of price fluctuations in China "A" Shares on a day that the PRC Stock Exchanges are open for trading but the Hong Kong Stock Exchanges is closed.

(iv) Operational risk

The Stock Connects provide a channel for investors from Hong Kong and overseas to access the PRC Stock Exchanges directly.

The Stock Connects are premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in these programmes subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

Market participants generally have configured and adapted their operational and technical systems for the purpose of trading China "A" Shares through the Stock Connects. However, it should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the programmes to operate, market participants may need to address issues arising from the differences on an on-going basis.

Further, the "connectivity" in the Stock Connects requires routing of orders across the border. SEHK has set up an order routing system ("China Stock Connect System") to capture, consolidate and route the cross-boundary orders input by exchange participants. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the programme could be disrupted. The Target Fund's ability to access the China "A" Shares market (and hence to pursue its investment strategy) will be adversely affected.

(v) Restrictions on selling imposed by front-end monitoring

PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise SSE or SZSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China "A" Shares sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

Generally, if the Target Fund desires to sell certain China "A" Shares it holds, it must transfer those China "A" Shares to the respective accounts of its brokers before the market opens on the day of selling ("Trading Day") unless its brokers can otherwise confirm that the Target Fund has sufficient China "A" Shares in the accounts. If it fails to meet this deadline, it will not be able to sell those shares on the Trading Day. Because of this requirement, the Target Fund may not be able to dispose of holdings of China "A" Shares in a timely manner.

However, the Target Fund may request a custodian to open a special segregated account ("SPSA") in CCASS (the Central Clearing and Settlement System operated by the Hong Kong Securities Clearing Company Limited ("HKSCC") for the clearing securities listed or traded on SEHK) to maintain its holdings in China "A" Shares under the enhanced pre-trade checking model. Each SPSA will be assigned a unique "Investor ID" by CCASS for the purpose of facilitating China Stock Connect System to verify the holdings of an investor such as the Target Fund. Provided that there is sufficient holding in the SPSA when a broker inputs the Target Fund's sell order, the Target Fund will be able to dispose of its holdings of China "A" Shares (as opposed to the practice of transferring China "A" Shares to the broker's account under the current pre-trade checking model for non-SPSA accounts). Opening of the SPSA accounts for the Target Fund will enable it to dispose of its holdings of China "A" Shares in a timely manner.

(vi) Recalling of eligible stocks

When a stock is recalled from the scope of eligible stocks for trading via the Stock Connects, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the Target Fund, for example, when the Target Fund Manager wish to purchase a stock which is recalled from the scope of eligible stocks.

(vii) Custody, clearing and settlement risks

The HKSCC, a wholly-owned subsidiary of HKEx, will be responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by Hong Kong market participants and investors. The China "A" Shares traded through Stock Connects are issued in scripless form, so investors will not hold any physical China "A" Shares. Hong Kong and overseas investors (including the Target Fund) who have acquired SSE Securities or SZSE Securities through Northbound trading should maintain the SSE Securities or SZSE Securities with their brokers' or custodians' stock accounts with CCASS.

HKSCC and ChinaClear have established the clearing links and each is a participant of the other to facilitate clearing and settlement of cross-boundary trades. For crossboundary trades initiated in a market, the clearing house of that market will on the one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the Target Fund may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

(viii) Participation in corporate actions and shareholders' meetings

Notwithstanding the fact that HKSCC does not claim proprietary interests in the SSE Securities and SZSE Securities held in its omnibus stock account in ChinaClear, ChinaClear as the share registrar for SSE/SZSE listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such SSE Securities or SZSE Securities (as the case may be). HKSCC will monitor the corporate actions affecting SSE Securities and SZSE Securities and keep the relevant brokers or custodians participating in CCASS ("CCASS participants") informed of all such corporate actions that require CCASS participants to take steps in order to participate in them. The HKSCC will keep CCASS participants informed of corporate actions of SSE Securities and SZSE Securities. Where the articles of association of a listed company do not prohibit the appointment of proxy/multiple proxies by its shareholder, HKSCC will make arrangements to appoint one or more investors as its proxies or representatives to attend shareholders' meetings when instructed. Further, investors (with holdings reaching the thresholds required under the PRC regulations and the articles of associations of listed companies) may, through their CCASS participants, pass on proposed resolutions to listed companies via HKSCC under the CCASS rules. HKSCC will pass on such resolutions to the companies as shareholder on record if so permitted under the relevant regulations and requirements. Hong Kong and overseas investors (including the Target Fund) are holding SSE Securities and SZSE Securities traded via the Stock Connects through their brokers or custodians, and they will need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. CCASS participants). The time for them to take actions for some types of corporate actions of SSE Securities and SZSE Securities may be very short. Therefore, it is possible that the Sub-Fund may not be able to participate in some corporate actions in a timely manner.

(ix) Nominee arrangements in holding China "A" Shares

HKSCC is the nominee holder of the SSE Securities and SZSE Securities acquired by Hong Kong and overseas investors (including the Sub-Fund) through the Stock Connects. The current Stock Connects rules expressly provide for the concept of a "nominee holder" and there are other laws and regulations in the PRC which recognise the concepts of "beneficial owner" and "nominee holder". Although there is reasonable ground to believe that an investor may be able to take legal action in its own name to enforce its rights in the courts in the PRC if it can provide evidence to show that it is the beneficial owner of SSE Securities/SZSE Securities and that it has a direct interest in the matter, investors should note that some of the relevant PRC rules related to nominee holder are only departmental regulations and are generally untested in the PRC. There is no assurance that the Target Fund will not encounter difficulties or delays in terms of enforcing its rights in relation to China "A" Shares acquired through the Stock Connects. However, regardless of whether a beneficial owner of SSE Securities under Shanghai-Hong Kong Stock Connect or SZSE Securities under Shenzhen-Hong Kong Stock Connect is legally entitled to bring legal action directly in the PRC courts against a listed company to enforce its rights, HKSCC is prepared to provide assistance to the beneficial owners of SSE Securities and SZSE Securities where necessary.

(x) Currency risk

Where the Target Fund is denominated in US dollars or other foreign currency, the performance of the Target Fund may be affected by movements in the exchange rate between RMB (i.e. the currency in which SSE Securities and SZSE Securities are traded and settled) and US dollar or other foreign currency. The Target Fund may, but is not obliged to, seek to hedge foreign currency risks. However, even if undertaken, such hedging may be ineffective. On the other hand, failure to hedge foreign currency risks may result in the Sub-Fund suffering from exchange rate fluctuations.

(xi) No protection by Investor Compensation Fund

Investments through the Stock Connects are conducted through brokers, and are subject to the risks of default by such brokers' in their obligations.

The Target Fund's investments through Northbound trading under the Stock Connects are not covered by the Hong Kong's Investor Compensation Fund, which is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Therefore, the Target Fund is exposed to the risks of default of the broker(s) it engages in its trading in China "A" Shares through the Stock Connects. Further, since the Target Fund is carrying out Northbound trading through securities brokers in Hong Kong but not PRC brokers, it is not protected by the China Securities Investor Protection Fund in the PRC.

(xii) Regulatory risk

The Stock Connects are novel in nature, and the Stock Connects will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross border legal enforcement in connection with cross-border trades under the Stock Connects.

It should be noted that the regulations are untested and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that the Stock Connects will not be abolished. The Target Fund, which may invest in the PRC Stock Exchanges through the Stock Connects, may be adversely affected as a result of such changes.

Risks associated with the Small and Medium Enterprise Board of the SZSE ("SME Board") and/or ChiNext Board of the SZSE ("ChiNext Board")

The Target Fund may have exposure to stocks listed on SME Board and/or ChiNext Board of SZSE.

(i) Higher fluctuation on stock prices

Listed companies on the SME Board and/or ChiNext Board are usually of emerging nature with smaller operating scale. Hence, they are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the Main Board of the SZSE (“Main Board”).

(ii) Over-valuation risk

Stocks listed on SME Board and/or ChiNext Board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

(iii) Differences in regulation

The rules and regulations regarding companies listed on ChiNext Board are less stringent in terms of profitability and share capital than those in the Main Board and SME Board.

(iv) Delisting risk

It may be more common and faster for companies listed on the SME Board and/or ChiNext Board to delist. This may have an adverse impact on the Target Fund if the companies that it invests in are delisted. Investments in the SME Board and/or ChiNext Board may result in significant losses for the Target Fund and its investors.

PRC tax risk

(i) Dividends

Pursuant to the “Notice about the tax policies related to the Shanghai-Hong Kong Stock Connect” (Caishui [2014] No. 81) (“Notice 81”) promulgated by the Ministry of Finance of the PRC, the State Administration of Taxation of the PRC and the China Securities Regulatory Commission (“CSRC”) on 14 November 2014, the Target Fund is subject to a withholding income tax at 10% on dividends received from China “A” Shares traded via Shanghai-Hong Kong Stock Connect, unless reduced under a double tax treaty with the PRC upon application to and obtaining approval from the competent PRC authority.

Pursuant to the “Notice on the tax policies related to the Pilot program of Shenzhen-Hong Kong Stock Connect” (Caishui [2016] No.127) (“Notice 127”) promulgated by the Ministry of Finance of the PRC, the State Administration of Taxation of the PRC and the CSRC on 5 November 2016, the Target Fund is subject to a withholding tax at 10% on dividends received from China “A” Shares traded via Shenzhen-Hong Kong Stock Connect.

(ii) Capital gains

Pursuant to Notice 81 and Notice 127, PRC corporate income tax will be temporarily exempted on capital gains derived by Hong Kong and overseas investors (including the Target Fund) on the trading of China “A” Shares through the Stock Connects. It is noted that Notice 81 and Notice 127 both state that the corporate income tax exemption effective from 17 November 2014 and from 5 December 2016 respectively is temporary. As such, as and when the PRC authorities announce the expiry date of the exemption, the Target Fund may in the future, need to make provision to reflect taxes payable, which may have a substantial negative impact on the net asset value of the Target Fund.

(iii) China Interbank Bond Market (“CIBM”)

Pursuant to the “Notice on the tax policies related to the bond interest income received from investments in the China bond market” (Caishui [2018] No. 108) (“Notice 108”) promulgated by the Ministry of Finance of the PRC and State Administration of Taxation of the PRC on 22 November 2018, overseas investors (including the Target Fund) will be exempted from China Corporate Income Tax and Value Added Tax in respect of bond interest income received from 7 November 2018 to 6 November 2021 from investments in the China bond market. As such, upon the expiry date of the exemption, the Target Fund may in future need to make provision to reflect taxes payable, which may have a substantial negative impact on the net asset value of the Target Fund.

Investors should note that Notice 108 did not provide specific written guidance by the mainland China tax authorities on the tax treatment of bond interest tax before the effective date of Notice 108 and other tax categories payable in respect of trading in the CIBM by eligible foreign institutional investors. It is possible that the relevant tax authorities may, in the future, clarify the tax position and impose an income tax or withholding tax on realised gains on PRC fixed income securities.

In light of the above, the Target Fund may withhold certain amounts in anticipation of China withholding tax on the Target Fund’s capital gains for a specified period of time or indefinitely.

The Target Fund Manager are of the opinion that a reserve may be warranted and may establish such a reserve in respect of the Target Fund (“Reserve”). This Reserve is intended to cover potential indirect or direct PRC tax liabilities which may arise from realised gains relating to indirect or direct investments on PRC fixed income securities.

Upon the clarification by the China tax authorities of the tax liability to the advantage of the Target Fund, all or part of the Reserve may be rebated to and retained by the Target Fund. In the event that the China tax authorities’ clarification results in a disadvantageous outcome for the Target Fund, there is no guarantee that the Reserve or withheld amounts (the “withheld amounts”) will be enough to cover such indirect or direct China tax liabilities. If the withheld amounts or Reserve is insufficient to satisfy the indirect or direct China tax liabilities, the Target Fund may be required to make payment to satisfy such tax liabilities.

Investors should note that as and when the China tax authorities provide clarity on the position, treatment and implications of taxation such implications may have a retrospective effect such that the net asset value of the Target Fund may be

lower or higher than what was calculated at the relevant time. In addition, before published guidance is issued and is well established in the administrative practice of the China tax authorities, the practices with respect to investments may differ from, or be applied in a manner inconsistent with the practices with respect to the analogous investments described herein or any new guidance that may be issued. In this regard, investors who had redeemed their units in the Target Fund prior to any credit made into that the Target Fund as a result of China tax authorities' clarification on the tax position shall not have any right or claim to any amount so credited.

In the event the Target Fund is terminated or ceases to exist before the China tax authorities provide clarity, the Reserve may either be retained by or transferred to the trustee or us (with the approval of the trustee) on behalf of the Target Fund. In this situation, investors may not have any claim on such amount. Any monies remaining in the Reserve after payment of the Target Fund's direct or indirect China tax liabilities would be treated as residual monies.

- The Target Fund may invest in the China Interbank Bond Market via the Bond Connect.

The Bond Connect is a new initiative launched in July 2017 for mutual bond market access between Hong Kong and mainland China established by China Foreign Exchange Trade System & National Interbank Funding Centre ("CFETS"), China Depository & Clearing Co., Ltd, Shanghai Clearing House, Hong Kong Exchanges and Clearing Limited and Central Moneymarkets Unit.

Under the prevailing regulations in mainland China, eligible foreign investors will be allowed to invest in the bonds circulated in the China Interbank Bond Market through the northbound trading of the Bond Connect ("Northbound Trading Link"). There will be no investment quota for the Northbound Trading Link.

Under the Northbound Trading Link, eligible foreign investors are required to appoint the CFETS or other institutions recognised by the People's Bank of China ("PBOC") as registration agents to apply for registration with the PBOC.

Pursuant to the prevailing regulations in mainland China, an offshore custody agent recognised by the Hong Kong Monetary Authority (currently, the Central Moneymarkets Unit) shall open omnibus nominee accounts with the onshore custody agent recognised by the PBOC (currently, the recognised onshore custody agents are the ChinaClear and Interbank Clearing Company Limited). All bonds traded by eligible foreign investors will be registered in the name of Central Moneymarkets Unit, which will hold such bonds as a nominee owner.

Risks associated with China Interbank Bond Market

Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the China Interbank Bond Market may result in prices of certain debt securities traded on such market fluctuating significantly. The Target Fund investing in such market is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the Target Fund may therefore incur significant trading and realization costs and may even suffer losses when selling such investments.

To the extent that the Target Fund transacts in the China Interbank Bond Market, the Target Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the Target Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

For investments via the Bond Connect, the relevant filings, registration with the PBOC and account opening have to be carried out via an onshore settlement agent, offshore custody agent, registration agent or other third parties (as the case may be). As such, the Target Fund is subject to the risks of default or errors on the part of such third parties.

Investing in the China Interbank Bond Market via the Bond Connect is also subject to regulatory risks. The relevant rules and regulations on these regimes are subject to change which may have potential retrospective effect. If the relevant mainland Chinese authorities suspend account opening or trading on the China Interbank Bond Market, the Target Fund's ability to invest in the China Interbank Bond Market will be adversely affected. In such event, the Target Fund's ability to achieve its investment objective will be negatively affected.

There is no specific written guidance by the mainland China tax authorities on the treatment of income tax and other tax categories payable in respect of trading in the China Interbank Bond Market by eligible foreign institutional investors via the Bond Connect. Hence the Target Fund's tax liabilities for trading in the China Interbank Bond market via the Bond Connect is uncertain.

1.8.4. SPECIFIC RISKS RELATED TO THE TARGET FUND

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| <p>Currency Risk Where the underlying investments of Target Fund are not denominated in SGD (including the Fullerton Lux sub-funds, which are denominated in USD), an appreciation of the SGD against the currencies of other countries adversely affects the returns from investments in those countries when converted back into SGD. Conversely, a depreciation of the SGD against other currencies adds to the returns from investments in those countries when converted back into SGD.</p> <p>The Target Fund Manager may manage the currency risk of the Target Fund by hedging through forward currency contracts, currency futures, currency swap agreements or currency options. However, the foreign currency exposure of the Target Fund may not be fully hedged. The currency hedging transactions (if any) may reduce the Target Fund's currency exposure but will not</p> | <ul style="list-style-type: none"> ▪ FSH-Income ▪ FSH-Balanced ▪ FSH-Growth |
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| <p>eliminate the risk of loss due to unfavourable currency fluctuations and they may limit any potential gain that might result from favourable currency fluctuations.</p> | |
| <p>Equities Risk Historically, equities have greater volatility than fixed income securities. The Target Fund's valuation may fluctuate more strongly than funds exposed to fixed income securities only.</p> | <ul style="list-style-type: none"> ▪ FSH-Income ▪ FSH-Balanced ▪ FSH-Growth |
| <p>Interest Rate Risk The values of bonds and other debt instruments usually rise and fall in response to changes in interest rates. Declining interest rates generally increase the values of existing debt instruments, and rising interest rates generally reduce the value of existing debt instruments. Interest rate risk is generally greater for investments with long durations or maturities. Some investments give the issuer the option to call or redeem an investment before its maturity date. If an issuer calls or redeems an investment during a time of declining interest rates, reinvestment of the proceeds may have to be made in an investment offering a lower yield, and therefore reduce or cancel the benefit from any increase in value in the instrument.</p> | <ul style="list-style-type: none"> ▪ FSH-Income ▪ FSH-Balanced ▪ FSH-Growth |
| <p>Credit Risk Investments in debt securities or fixed income CIS are subject to credit risk where some issuers may be unable to meet their financial obligations, such as payment of principal and/or interest on an instrument. In addition, an issuer may suffer adverse changes in its financial condition that could lower the credit quality of a security, leading to greater volatility in the price of the security or CIS and in the value of units of the Target Fund. A change in the quality rating of a bond or other security can also affect the security's liquidity and make it more difficult to sell.</p> <p>The ability, or perceived ability, of an issuer of a debt security to make timely payments of interest and principal on the security will affect the value of the security. It is possible that the ability of the issuer to meet its obligation will decline substantially during the period when such security is held or that the issuer will default on its obligations. An actual or perceived deterioration in the ability of an issuer to meet its obligations will likely have an adverse effect on the value of the issuer's securities.</p> <p>If a security has been rated by more than one nationally recognised statistical rating organisation the Target Fund Manager may consider, among other criteria, the weakest rating for the purposes of determining whether the security is investment grade (i.e. having a long-term credit rating of at least BBB- by Standard & Poor's, Baa3 by Moody's or BBB- by Fitch (or their respective equivalents)). The security may not necessarily be disposed of if its rating falls below investment grade, although the Target Fund Manager will consider whether the security continues to be an appropriate investment. If a security is not rated by any nationally recognised statistical rating organisation, the Target Fund Manager may assess the credit quality of the security to determine whether the security is investment grade or otherwise.</p> <p>Credit risk is generally greater for investments issued at less than their face values and required to make interest payments only at maturity rather than at intervals during the life of the investment. Credit rating agencies base their ratings largely on the issuer's historical financial condition and the rating agencies' investment analysis at the time of rating. The rating assigned to any particular investment does not necessarily reflect the issuer's current financial condition, and does not reflect an assessment of an investment's volatility and liquidity. Although investment grade investments generally have lower credit risk than investments rated below investment grade, they may share some of the risks of lower-rated investments, including the possibility that the issuers may be unable to make timely payments of interest and principal and thus default.</p> | <ul style="list-style-type: none"> ▪ FSH-Income ▪ FSH-Balanced ▪ FSH-Growth |
| <p>Investment in Non-Investment Grade Securities Issuers of non-investment grade fixed income or debt securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions, which could lead to the issuer's inability to make timely interest and principal payments. The market prices of certain non-investment grade securities tend to reflect individual corporate developments to a greater extent than securities of investment grade, which react primarily to fluctuations in the general level of interest rates.</p> <p>Non-investment grade securities also tend to be more sensitive to economic conditions than securities of investment grade. It is likely that a major economic recession or an environment characterised by a shortage of liquidity could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn or liquidity squeeze could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.</p> <p>The market for non-investment grade securities is thinner and less active than that for securities of investment-grade, which can adversely affect the prices at which non-investment grade</p> | <ul style="list-style-type: none"> ▪ FSH-Income ▪ FSH-Balanced ▪ FSH-Growth |

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| <p>securities can be sold.</p> | |
| <p>Liquidity Risk The Target Fund is exposed to the risk that a particular investment or position cannot be easily unwound or offset due to insufficient buyers or market disruption. This can affect investor's ability to realise units of the Target Fund, and can also have an impact on the value of units of the Target Fund. Although the Target Fund will invest in, amongst others, CIS and other investment funds (including ETFs) in which the investors are entitled to redeem their units or shares within a reasonable timeframe, there may be exceptional circumstances in which the units or shares of such Underlying Funds are not readily redeemable. Absence of liquidity may have a detrimental impact on the Target Fund and the value of its investments.</p> | <ul style="list-style-type: none"> ▪ FSH-Income ▪ FSH-Balanced ▪ FSH-Growth |
| <p>Derivative Risk Unless otherwise specified, FDIs (which may include, but not limited to, options on securities, OTC options, interest rate swaps, credit default swaps, futures, currency forwards, contract for difference, credit derivatives or structured notes such as credit-linked notes, equity-linked notes and index-linked notes) may be used to a limited degree and only where the relevant investment guidelines permit.</p> <p>The successful use of such instruments depends on the ability to accurately predict movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the relevant portfolio manager's prediction is incorrect, or if the FDIs do not work as anticipated, greater losses may be incurred than had FDIs not been used. While some strategies involving FDIs can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favourable price movements in other investments.</p> <p>If OTC derivatives are used, there is an increased risk that the counterparty may fail to perform under its contractual obligations. Risks are also greater for instruments not traded on a recognised market, which have less protection than that which may otherwise apply to participants trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house.</p> <p>Investments in OTC instruments may be illiquid and are sometimes subject to larger spreads than exchange-traded derivative instruments. Participants in such OTC markets are typically subject to less regulatory oversight than members of exchange-based markets. Therefore, the use of OTC instruments may increase volatility in the value of the Target Fund and may increase counterparty and settlement risks. Although the Target Fund Manager will endeavour to ensure that the OTC transactions are governed by standardised documentation produced by the International Swaps and Derivatives Association ("ISDA"), this may not be achieved. Further, transactions entered under an ISDA agreement may be subject to cross-product obligations, payment and collateral netting provisions, events of default provisions, no-fault termination events and other provisions, which may subject OTC transactions to early termination. If such provisions are triggered, losses may be incurred and the close-out and valuation procedures provided under the ISDA agreement do not always function well, particularly in adverse market conditions.</p> <p>Warrants on securities or on any other financial instrument offer a significant leveraging effect, but are characterised by a high risk of depreciation.</p> <p>Investments in FDIs may require the deposit of an initial margin and additional deposits of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, FDI investments may be liquidated at a loss.</p> <p>Other risks in using FDIs include the risk of mispricing or improper valuation of FDIs and the inability of FDIs to correlate perfectly with underlying assets, rates and indices. Many FDIs, in particular privately negotiated FDIs, are complex and often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to the Target Fund. Also, the value of FDIs may not correlate perfectly, or at all, with the value of the assets, reference rates or indices they are designed to closely track. In addition, the use of FDIs may attract taxes for short-term capital gains than had FDIs not been used.</p> | <ul style="list-style-type: none"> ▪ FSH-Income ▪ FSH-Balanced ▪ FSH-Growth |
| <p>Emerging Markets Risk In emerging and less developed markets, to which the Target Fund may be exposed, the legal, judicial and regulatory infrastructure is still developing but there is much legal uncertainty both for local market participants and their overseas counterparts. Some markets may carry higher risks. Therefore, investor should ensure that investor understand the risks involved and are satisfied that an investment is suitable as part of investor's portfolio before investing. Investor should invest in emerging and less developed markets only if investor have independent knowledge of the relevant markets, are able to consider and weigh the various risks presented by such investments, and have the financial resources necessary to bear the substantial risk of loss of investment in such investments.</p> | <ul style="list-style-type: none"> ▪ FSH-Income ▪ FSH-Balanced ▪ FSH-Growth |

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| <p>Countries with emerging and less developed markets include but are not limited to (1) countries that have an emerging stock market in a developing economy as defined by the International Finance Corporation, (2) countries that have low or middle income economies according to the World Bank, and (3) countries listed in World Bank publication as developing. The list of emerging and less developed markets countries is subject to continuous change; broadly they include any country other than Austria, Australia, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States of America.</p> | |
| <p>Risk of Investing in REITs REITs depend on specialised management skills. Some REITs may have limited diversification and may be subject to risks inherent in financing a limited number of assets or properties. REITs depend generally on their ability to generate cash flows to make distributions to unitholders and may be subject to defaults by borrowers and tenants of properties.</p> <p>REITs may also be subject to financial covenants and/or borrowing/gearing ratios and their ability to comply with such ratios could be adversely affected if the REITs are unable to obtain funds from investors or loans or re-finance existing debt. The performance of a REIT may be adversely affected if it fails to qualify for tax-free-pass-through of income under laws applicable to such REIT.</p> <p>Investments in REITs that invest, deal or otherwise engage in transactions in or hold real estate or interests therein expose the Target Fund to risks similar to investing directly in real estate. For example, real estate values may fluctuate due to general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, changes in zoning laws, casualty or condemnation losses, regulatory limitations on rents, changes in neighbourhood values, changes in how appealing properties are to tenants, increases in interest rates and unexpected interruptions such as natural disasters, terrorist attacks or other unforeseeable events.</p> | <ul style="list-style-type: none"> ▪ FSH-Income ▪ FSH-Balanced ▪ FSH-Growth |
| <p>Risk Associated with Income for Fixed Rate Distribution out of Income and/or Capital Please note that distributions may be made out of income and/or capital. Sources of income for distribution include dividends and/or interest derived from underlying investments. Such dividend and/or interest income may be adversely affected by events such as the underlying entities invested into suffering unexpected losses or having lower than expected earnings or paying lower than expected dividends.</p> <p>Any distributions made (whether out of income and/or capital) may cause the NAV of the Target Fund to fall. Further, distributions out of the capital may amount to a partial return of investor's original investment and may result in reduced future returns for investor.</p> <p>As stated in the distribution policy of FSH-Income, Class B of FSH-Income may make distribution out of income and/or capital, and this presents the potential for the termination and/or the consolidation of the units of Class B.</p> | <ul style="list-style-type: none"> ▪ FSH-Income |
| <p>Risk Associated with Income for Distribution Please note that distributions of the Target Fund (if any) may be distributed to holders in the Target Fund Manager's absolute discretion. Sources of income for distribution include dividends and/or interest derived from underlying investments. Such dividend and/or interest income may be adversely affected by events such as the underlying entities invested into suffering unexpected losses or having lower than expected earnings or paying lower than expected dividends.</p> | <ul style="list-style-type: none"> ▪ FSH-Balanced ▪ FSH-Growth |
| <p>Risk of Investing in Unlisted Securities Subject to the provisions of the Code, the Target Fund may invest in unlisted securities. In general, transactions in unlisted securities are subject to less governmental regulation and supervision compared to transactions entered into on organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with unlisted securities. Therefore, any investment in unlisted securities by the Target Fund will be subject to the risk that its direct counterparty will not perform its obligations under the transaction and that Target Fund will sustain losses. Unlisted securities are also relatively illiquid and it may be more difficult to obtain accurate valuations of unlisted securities.</p> | <ul style="list-style-type: none"> ▪ FSH-Income ▪ FSH-Balanced ▪ FSH-Growth |
| <p>Additional Risks Arising from the Target Fund's Investments in the Underlying Funds and/or Other CIS or Investment Funds</p> | |
| <p>Underlying Fund Risk As the Target Fund may invest substantially in one or more of the Underlying Funds and may invest in CIS or investment funds, it is subject to the management risk of the management</p> | <ul style="list-style-type: none"> ▪ FSH-Income ▪ FSH-Balanced |

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| companies and/or the investment managers of the relevant Underlying Fund(s). Poor management of the relevant Underlying Funds may jeopardise the Target Fund's investment in such Underlying Fund(s). | <ul style="list-style-type: none"> ▪ FSH-Growth |
| <p>Concentration Risk</p> <p>The Target Fund's investment approach does not mandate diversification. Also, it may have a high percentage of its assets invested in one or more of the Underlying Funds. In addition, the managers of the Underlying Funds may take positions or engage in transactions in the same securities or in issues of the same asset class, industry or country or currency at the same time. Such lack of diversification could result in either large gains or losses depending on the performance of the underlying investment funds. Accordingly, the investment portfolio of the Target Fund may be subject to more rapid change in value than would be the case if it were required to maintain a diversified portfolio of investments.</p> | <ul style="list-style-type: none"> ▪ FSH-Income ▪ FSH-Balanced ▪ FSH-Growth |
| <p>Multiple Levels of Expenses</p> <p>The Underlying Funds have fees and expenses that are borne by the Target Fund. As a result, investor will be subject to fees and expenses at the Target Fund's level and at the Underlying Funds' level. As a consequence, the direct and indirect costs borne by the Target Fund are likely to represent a higher percentage of the NAV than would typically be the case with CIS which invest directly in equity and bond markets.</p> <p>The managers of the Underlying Funds may also receive compensation based on the performance of their investments. Under these arrangements, the managers will benefit from the appreciation, including unrealised appreciation of the investments of such Underlying Funds, but they are not similarly penalised for realised or unrealised losses.</p> | <ul style="list-style-type: none"> ▪ FSH-Income ▪ FSH-Balanced ▪ FSH-Growth |
| <p>Regulatory Risk</p> <p>The Fullerton Lux Funds is domiciled in Luxembourg and therefore, all the regulatory protections provided by investor's local regulatory authorities may not apply. Additionally, a Fullerton Lux sub-fund may be registered in non-EU jurisdictions, which means that the relevant Fullerton Lux sub-fund may be subject to more restrictive regulatory regimes. In such cases, the relevant Fullerton Lux sub-fund will abide by these more restrictive requirements. This may prevent the relevant Fullerton Lux sub-fund from making the fullest possible use of their investment limits.</p> | <ul style="list-style-type: none"> ▪ FSH-Income ▪ FSH-Balanced ▪ FSH-Growth |
| <p>Risks Relating to Investments in Asset Backed Securities and Mortgage Backed Securities by LAHYB, LABF and LASDB</p> <p>Asset backed securities and mortgage backed securities are debt securities based on a pool of assets or collateralised by the cash flows from a specific pool of underlying assets. Such securities may be highly illiquid and therefore prone to substantial price volatility.</p> | <ul style="list-style-type: none"> ▪ FSH-Income ▪ FSH-Balanced ▪ FSH-Growth |
| <p>Risks Relating to Investments in China by the Fullerton Lux Sub-Funds</p> <p>The Fullerton Lux sub-funds may invest in China. A Fullerton Lux sub-fund that invests in China may be subject to the risks as set out in Paragraph 10.3 of the Prospectus.</p> | <ul style="list-style-type: none"> ▪ FSH-Income ▪ FSH-Balanced ▪ FSH-Growth |
| <p>Investment in P-Notes by the Fullerton Lux Sub-Funds</p> <p>The Fullerton Lux sub-funds may invest in Participatory Notes ("P-Notes"). An investment in P-Notes entitles the holder to certain cash payments calculated by reference to the underlying equity securities to which the instrument is linked. It is not an investment directly in the equity securities themselves. The holder is not entitled to the beneficial interest in the equity securities or to make any claim against the company issuing the equity securities.</p> <p>P-Notes may not be listed and are subject to the terms and conditions imposed by their issuer. These terms may lead to delays in implementing the investment strategy for the relevant Fullerton Lux sub-fund due to restrictions on the issuer acquiring or disposing of the equity securities underlying the P-Notes. Investment in P-Notes can be illiquid as there is no active market in P-Notes. In order to meet realisation requests, the Fullerton Lux sub-fund relies on the counterparty issuing the P-Notes to quote a price to unwind any part of the P-Notes. This price will reflect market liquidity conditions and the size of the transaction.</p> <p>By seeking exposure to investments in certain listed equity securities through P-Notes, the Fullerton Lux sub-fund is taking on the credit risk of the issuer of the P-Notes. There is a risk that the issuer will not settle a transaction due to a credit or liquidity problem, thus causing the Fullerton Lux sub-fund to suffer a loss. The Fullerton Lux sub-fund is exposed to the risk of default by issuers of P-Notes and it stands as unsecured creditor in the event of such default. While the investment manager of the Fullerton Lux sub-fund will endeavour to manage counterparty risks by investing in P-Notes issued by at least two to three counterparties, the Fullerton Lux sub-fund's exposure to such counterparties may not be equally diversified as not all issuers may be able to provide access to specific equity securities if they are subject to any investment and market</p> | <ul style="list-style-type: none"> ▪ FSH-Income ▪ FSH-Balanced ▪ FSH-Growth |

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| <p>restrictions.</p> <p>Due to the comparatively higher costs of investing in a P-Note, investment through P-Notes may cause a dilution of performance of the Fullerton Lux sub-fund when compared to a fund investing directly in similar assets. In addition, when the Fullerton Lux sub-fund intends to invest in a particular equity security through a P-Note, application moneys for units in the Fullerton sub-fund may not be immediately invested in such equity security through P-Notes as this depends on the availability of P-Notes linked to such equity security. This may impact the performance of the Fullerton Lux sub-fund.</p> | |
| <p>Currency Risks Relating to Investments by the Fullerton Lux Sub-Funds which are Denominated in RMB and in Other Asian Currencies</p> <p>The RMB is not a freely convertible currency and is subject to foreign exchange control policies of and repatriation restrictions (including regulations governing Qualified Foreign Institutional Investor (QFIIs)) imposed by the PRC government. If such policies or restrictions change in the future, the position of the Fullerton Lux sub-funds or their investors may be adversely affected. Conversion between RMB and other currencies is subject to policy restrictions and promulgations relating to RMB and relevant regulatory requirements.</p> <p>Relevant policies may affect the ability of the Fullerton Lux sub-funds to convert between RMB and other currencies, applicable exchange rate and cost of conversion. Conversion may become more difficult or impossible and the RMB may be subject to devaluation, revaluation or shortages in its availability, limiting the depth of the RMB market and reducing the liquidity of the Fullerton Lux sub-funds.</p> <p>The appreciation of the RMB may be accelerated, which may result in it becoming more costly to the Fullerton Lux sub-funds to acquire RMB denominated assets from any non-RMB funds raised. On the other hand, the RMB may depreciate or be subject to devaluation. In addition, there may be a divergence in the RMB clearing exchange rate between the offshore market and the onshore market in the PRC due to their respective supply and demand, and regulatory conditions.</p> <p>The risks relating to investments denominated in RMB as described in the preceding paragraphs may also apply to investments which are denominated in other Asian currencies.</p> | <ul style="list-style-type: none"> ▪ FSH-Income ▪ FSH-Balanced ▪ FSH-Growth |
| <p>Risks associated with the Stock Connects</p> <p>The Fullerton Lux sub-funds that invest in China “A” Shares listed on PRC Stock Exchanges through the Stock Connects may be subject to the risks as set out in Paragraph 10.1.14 of the Prospectus.</p> | <ul style="list-style-type: none"> ▪ FSH-Income ▪ FSH-Balanced ▪ FSH-Growth |

The above is not an exhaustive list of the risks to consider before investing. FSH-Growth may be exposed to other risks of an exceptional nature. Investor should note that the NAV of FSH-Growth has potential for high volatility due to its investment policies or portfolio management techniques.

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 Funds and are not set out in any particular order of priority. You should be aware that investments in the Funds 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 FULLERTON FUND

Fullerton Fund is a Singapore-constituted umbrella unit trust which offers a range of sub-funds, which includes Fullerton SGD Heritage Income, Fullerton SGD Heritage Balanced and Fullerton SGD Heritage Growth (“Target Funds”). The Target Funds are established as authorised schemes in Singapore under the Securities and Futures Act (Chapter 289 of Singapore).

Fullerton Fund Management Company Ltd (“Fullerton FMC”) is the manager of the Target Funds (“Target Fund Manager”). Fullerton FMC is regulated by the MAS and is licensed under the Securities and Futures Act to carry out fund management activities and to deal in capital markets products that are units in a collective investment scheme. Fullerton FMC is an Asia-based investment specialist, with capabilities that span equities, fixed income, multi-asset and alternatives, including private equity and has been managing collective investment schemes and discretionary funds since 2004.

Fullerton FMC has delegated the accounting and valuation functions of the Target Funds to HSBC Institutional Trust Services (Singapore) Limited, which is also the trustee and registrar of the Target Funds. The trustee of the Target Funds has appointed The Hongkong and Shanghai Banking Corporation Limited as the global custodian to provide custodial services.

This Information Memorandum describes the features of the Target Funds in accordance with the prospectus of the Target Funds (the “Prospectus”) and we recommend that you should read the Information Memorandum together with the Prospectus and the relevant key investor information document. We take all reasonable efforts to ensure the accuracy that the disclosure in this Information Memorandum in relation to the Target Funds, including obtaining the confirmation from the Target Fund Manager. However, in the event of any inconsistency or ambiguity in relation to the disclosure, including any word or phrase used in this Information Memorandum regarding the Target Funds as compared to the Prospectus, the Prospectus shall prevail.

For this section, the following definitions apply:

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| Dealing Day | : | in connection with the issuance, cancellation and realisation of units of FSH-Growth, FSH-Balanced and FSH-Income is every Business Day in Singapore which is also a week day on which banks are normally open for business in Luxembourg. |
| Group of Twenty | : | means the informal group of twenty finance ministers and central bank governors from twenty major economies: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, United Kingdom, USA and the European Union (“EU”). |
| Investment | : | means any share, stock, warrant, option or other stock purchase right, interest-bearing instrument, bond, discount bond, note, discount note, exchange fund note, debenture, debenture stock, banker’s acceptance, debt security, loan, loan convertible into security, loan stock, warrant, options, certificates of deposit, currency deposits, commercial paper, promissory note, unit or sub-unit in any unit trust scheme, participation in a mutual fund, other interests in collective investment schemes, share or other interest in a real estate investment trust company, share or unit or sub-unit or participation or other interest in any hedge fund, treasury bill, fixed or floating rate debt instrument, futures, forward, swap, floor, collar, index and forward currency exchange contract or other derivative or financial transaction or instrument or any other security which may be selected by the Target Fund Manager for the purpose of investment of the Deposited Property (“Basis period” for any year of assessment means the period on the profits which tax for that year falls to be assessed, in this case, financial year ended 31 March) of any sub-fund or which may for the time being form part thereof. |
| Quoted Investment | : | means any Investment which is quoted or listed or in respect of which permission to deal is effective on any Recognised Stock Exchange or OTC Market. |
| Recognized Stock Exchange | : | means any stock exchange or futures exchange or organised securities exchange or other market of sufficient repute or any government securities market in any part of the world as may be approved by the Target Fund Manager and the trustee and includes in relation to any particular authorised investment, any responsible firm, corporation or association in any part of the world which deals in the authorised investment as to be expected generally to provide in the Target Fund Manager’s opinion a satisfactory market for such authorised investment. |
| Regulated Market | : | means a regulated market as defined in Directive 2014/65/EU on markets in financial instruments and Regulation EU 600/2014 on markets in financial instruments and any European Union or Luxembourg implementing laws and regulations (“MiFID”), namely a market which appears on the list of the regulated markets drawn up by each Member State, which functions regularly, is characterised by the fact that regulations issued or approved by the competent authorities define the conditions for the operation of the market, the conditions for access to the market and the conditions that must be satisfied by a financial instrument before it can effectively be dealt in on the market, requiring compliance with all the reporting and transparency requirements laid down by MiFID and any other market which is regulated, operates regularly and is recognised and open to the public in an Eligible State. “Eligible State” includes any Member State, any member state of the Organisation for Economic Co-operation and Development (“OECD”), and any other state which the directors of Fullerton Lux Funds deem appropriate with regard to the investment objective of the relevant Fullerton Lux sub-fund. |

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| Sub-Fund(s) | : | Refers to sub-funds under the Fullerton Fund, which includes FSH-Income, FSH-Balanced and FSH-Growth. |
| OTC Market | : | means any over-the-counter market or over-the-telephone market in any country in any part of the world, and in relation to any particular Authorised Investment shall be deemed to include any responsible firm, corporation or association in any country in any part of the world dealing in the Authorised Investment which we may from time to time elect. |
| Unquoted Investment | : | means any Investment which is not quoted, listed or dealt in on any Recognised Stock Exchange or OTC Market. |

2.2. ABOUT TARGET FUNDS

2.2.1. FULLERTON SGD HERITAGE INCOME (“FSH-INCOME”)

Investment Objective

The investment objective of FSH-Income is to generate regular income and long term capital appreciation for investors.

Investment Focus and Approach

FSH-Income will invest primarily in a diversified portfolio of CIS, other investment funds, securities, including but not limited to fixed income securities, equities, real estate investment trusts (“REITs”), money market instruments and cash as deemed appropriate by the Target Fund Manager in accordance with its investment objective.

Singapore and SGD Denominated Securities

In normal market conditions, the Target Fund Manager aims to invest around 50% of FSH-Income’s NAV in Singapore securities (defined by country of risk) and/or SGD denominated securities, cash and cash equivalents. the Target Fund Manager may, if deem reasonable, invest less than 50% of the FSH-Income’s NAV in Singapore securities and/or SGD denominated securities and cash.

Fixed Income

The fixed income securities invested by FSH-Income may be investment grade, non-investment grade and/or unrated securities primarily issued by companies, governments, quasi-governments, government agencies or supra-nationals, with no specific geographical or sectoral emphasis.

Fixed income securities invested by FSH-Income may be denominated in SGD and/or foreign currencies. Foreign currency denominated fixed income securities will generally be hedged back to the SGD except for some frictional currency limit (to account for possible deviation from a 100% hedge).

Non-rated debt securities will be subject to the Target Fund Manager’s internal rating process and will be accorded their internal equivalent rating of investment grade or non-investment grade accordingly.

Equities

Equities may include, but are not limited to, REITs, companies listed on recognised stock exchanges in Asia and/or institutions which have operations in, exposure to, or derive part of their revenue from Asia, wherever they may be listed.

FSH-Income may also invest in developed market equities (ex-Asia) for diversification reason.

Investment in Underlying Funds

FSH-Income may invest 30% or more of its NAV into any of the underlying funds set out below (each an “Underlying Fund” and collectively, the “Underlying Funds”) or any other investment schemes as notified by the Target Fund Manager from time to time. The specific percentage investment into each Underlying Fund may vary from time to time at the Target Fund Manager’s sole discretion.

| No | Underlying funds |
|----|---|
| 1 | Fullerton Lux Funds - Asia Growth & Income Equities (“LAGIE”) |
| 2 | Fullerton Lux Funds - Asia Focus Equities (“LHCAE”) |
| 3 | Fullerton Lux Funds - Asia Absolute Alpha (“LAAA”) |
| 4 | Fullerton Lux Funds - Asian High Yield Bonds (“LAHYB”) |
| 5 | Fullerton Lux Funds - Asian Bonds (“LABF”) |
| 6 | Fullerton Lux Funds - Asian Short Duration Bonds (“LASDB”) |
| 7 | Fullerton Short Term Interest Rate Fund (“FSTIR”) |
| 8 | Fullerton SGD Cash Fund (“FSCF”) |
| 9 | Fullerton SGD Income Fund (“FSIF”) |
| 10 | Fullerton USD Income Fund (“FUSIF”) |

Please note that FSH-Income may also invest into other CIS and investment funds not listed above.

FSTIR, FSCF, FSIF and FUSIF are sub-funds of the Fullerton Fund and their details are set in Annex 1 – Fullerton Short Term Interest Rate Fund, Annex 2 – Fullerton SGD Cash Fund, Annex 5 – Fullerton SGD Income Fund and Annex 9 – Fullerton USD Income Fund of the Prospectus.

LAGIE, LHCAE, LAAA, LAHYB, LABF and LASDB are sub-funds of the umbrella fund, Fullerton Lux Funds, and are each referred to as the “Fullerton Lux sub-fund” and collectively, the “Fullerton Lux sub-funds”. The information of the Fullerton Lux Funds is available at <http://www.fullertonfund.com>.

The investment objectives, policies and approach of the Fullerton Lux sub-funds are as follows:

| Fullerton Lux Sub-Funds | Investment objective and policies |
|-------------------------|--|
| LAGIE | <p>The investment objective of LAGIE is to achieve competitive risk adjusted returns on a relative basis.</p> <p>As the investment manager of LAGIE, Fullerton FMC seek to achieve the objective of LAGIE by investing primarily in equities with high dividend yields. The investment universe of LAGIE will include equities listed on exchanges in Asia, as well as equities of companies or institutions which have operations in, exposure to, or derive part of their revenue from Asia, wherever they may be listed. Fullerton FMC may also make indirect investments in equities via participatory notes (where the underlying assets would comprise equities defined above). LAGIE may also invest in futures on indices composed of or containing securities belonging to the investment universe. On an ancillary basis, LAGIE may also hold cash and cash equivalents.</p> <p>LAGIE’s investment in China “A” Shares listed on PRC Stock Exchanges may be made through the Stock Connects and/or any other means as may be permitted by the relevant regulations from time to time, for up to 35% of LAGIE’s net asset value.</p> <p>The Asian countries in which LAGIE may invest excludes Japan.</p> |
| LHCAE | <p>The investment objective of LHCAE is to achieve competitive risk adjusted returns on a relative basis.</p> <p>As the investment manager of LHCAE, Fullerton FMC seek to achieve the objective of LHCAE by investing primarily in equities, index futures, cash and cash equivalents. Typically, LHCAE will concentrate the investments in a limited number of holdings. The investment universe of LHCAE will include equities listed on exchanges in Asia, as well as equities of companies or institutions which have operations in, exposure to, or derive part of their revenue from Asia, wherever they may be listed. Fullerton FMC may also make indirect investments in equities via participatory notes (where the underlying assets would comprise equities defined above).</p> <p>LHCAE’s investment in China “A” Shares listed on PRC Stock Exchanges may be made through the Stock Connects and/or any other means as may be permitted by the relevant regulations from time to time, for up to 35% of LHCAE’s net asset value.</p> <p>The Asian countries in which LHCAE may invest excludes Australia, Japan and New Zealand.</p> |
| LAAA | <p>The investment objective of LAAA is to generate long term positive return, which includes both capital appreciation and income.</p> <p>As the investment manager of LAAA, Fullerton FMC seek to achieve the objective of LAAA by investing primarily in, but not limited to, equities, stock warrants, index futures, cash and cash equivalents. The investment universe of LAAA will include, but not limited to, equities and equities-related securities listed on exchanges in the Asia Pacific region, as well as equities and equities-related securities of companies which have operations in, exposure to, or derive part of their revenue from the Asia Pacific region, wherever they may be listed. Fullerton FMC may also make indirect investments in equities via participatory notes and other eligible access products (where the underlying assets would comprise equities defined above).</p> <p>LAAA’s investment in China “A” Shares listed on PRC Stock Exchanges may be made through the Stock Connects and/or any other means as may be permitted by the relevant regulations from time to time, for up to 35% of LAAA’s net asset value.</p> <p>LAAA will typically be comprised of a concentrated portfolio of between 20 to 30 high conviction holdings, and will be constructed without reference to any particular benchmark. Financial derivative instruments (FDIs) and cash may be used to actively manage LAAA’s market exposure with a view to protect LAAA from a permanent loss of capital.</p> <p>The Asia Pacific countries in which LAAA may invest excludes Japan.</p> |
| LAHYB | <p>The investment objective of LAHYB is to generate long term capital appreciation for investors.</p> |

| Fullerton Lux Sub-Funds | Investment objective and policies |
|-------------------------|---|
| | <p>As the investment manager of LAHYB, Fullerton FMC seek to achieve the objective of LAHYB by investing primarily in unrated or rated non-investment grade fixed income or debt securities, including convertibles, denominated primarily in USD and Asian currencies and primarily issued by companies, governments, quasi-governments, government agencies or supranationals in the Asian region.</p> <p>The Asian countries may include but are not limited to China, (including Hong Kong SAR and Taiwan), South Korea, India, Thailand, Malaysia, Singapore, Indonesia, the Philippines and Vietnam.</p> |
| LABF | <p>The investment objective of LABF is to generate long-term capital appreciation for investors.</p> <p>As the investment manager of LABF, Fullerton FMC seek to achieve the objective of LABF by investing in fixed income or debt securities denominated primarily in US\$ and Asian currencies, issued by companies, governments, quasi-governments, government agencies or supranationals in the Asian region. The Asian countries in which LABF may invest include but are not limited to China (including Hong Kong SAR and Taiwan), South Korea, India, Thailand, Malaysia, Singapore, Indonesia, the Philippines, Pakistan and Vietnam.</p> |
| LASDB | <p>The investment objective of LASDB is to generate long term capital appreciation and/or income returns for investors.</p> <p>As the investment manager of LASDB, Fullerton FMC seek to achieve the objective of LASDB by investing in short duration fixed income or debt securities issued by companies, governments, quasi-governments, government agencies or supranationals in the Asian region.</p> <p>The Asian countries may include but are not limited to China, (including Hong Kong SAR and Taiwan), South Korea, India, Thailand, Malaysia, Singapore, Indonesia, the Philippines, Pakistan and Vietnam.</p> |

As the investment manager of the Fullerton Lux sub-funds, Fullerton FMC seek to achieve the investment objective of LAGIE, LHCAE and LAAA by leveraging on Fullerton FMC’s expertise in bottom-up stock selection, which Fullerton FMC believe provides the greatest opportunities for alpha generation. Fullerton FMC adopt a bottom-up approach to portfolio construction. Fullerton FMC’s investment process centres on bottom-up fundamental research and Fullerton FMC seek to populate the portfolio with the best bottom-up ideas Fullerton FMC are able to identify.

Fullerton FMC seek to achieve the investment objective of LAHYB, LABF and LASDB by using a combination of top-down macro research for duration or interest rate management and sector allocation, as well as bottom-up analysis for credit selection and yield curve positioning. Fullerton FMC believe that this top down-bottom up investment approach provides the best opportunities for achieving superior risk-adjusted returns over the long term.

Neutral asset allocation

FSH-Income will be referenced against the neutral asset allocation mix below:

- Equities: 20%
- Fixed income and/or cash: 80%

The Target Fund Manager have the discretion to perform tactical asset allocation and vary the percentage of the NAV of FSH-Income that is exposed to the various underlying investments, including the percentage asset allocation stated above.

Managers of the Underlying Funds

Fullerton FMC (i.e. the Target Fund Manager) is the managers of FSTIR, FSCF, FSIF and FUSIF.

Lemanik Asset Management S.A. (the “Management Company”) has been appointed as the management company of Fullerton Lux Funds to perform asset management, administration and marketing functions. The Management Company was incorporated in Luxembourg in 1993 and is regulated by the CSSF. The Management Company has managed CIS or discretionary funds since 2006. The Management Company has fully delegated its investment management functions to Fullerton FMC and have appointed Fullerton FMC as the investment manager of the Fullerton Lux sub-funds. The details of Fullerton FMC are set out in “About Fullerton Fund” section on page 20.

Use of Financial Derivative Instruments

FSH-Income may employ FDIs for hedging and efficient portfolio management purposes.

FSTIR may invest in FDIs for the purposes of hedging and/or efficient portfolio management (namely, managing risks) without leveraging the portfolio. The Target Fund Manager presently do not intend to use FDIs for FSCF. For FSIF and FUSIF, the Target Fund Manager may use FDIs for hedging and efficient portfolio management purposes.

The Fullerton Lux sub-funds may employ FDIs as part of each of their investment strategy and not merely for efficient portfolio management and hedging purposes. FDIs may be employed by LAGIE, LHCAE and LAAA to create market exposures, and by LAHYB, LABF and LASDB to create synthetic instruments. Such FDIs include over-the-counter and/or exchange traded options, futures, warrants, swaps, forward contracts, participatory notes, index-linked notes and/or a combination of the above.

The global exposures of the Fullerton Lux sub-funds are calculated using the commitment approach, as detailed in laws and regulations applicable to them.

The use of FDIs may lead to a higher volatility in the price of shares of the Fullerton Lux sub-funds and may increase the counterparty risk of the Fullerton Lux sub-funds.

Base Currency

The base currency of FSH-Income is SGD.

Benchmark

FSH-Income has no benchmark.

Distribution Policy

The Target Fund Manager will declare a fixed rate distribution out of the income and/or capital of FSH-Income. The Class B of FSH-Income distributes fixed payout of 5%p.a. on monthly basis.

For the avoidance of doubt, coupons, dividends and realised capital gains are considered income, while unrealised capital gains are considered capital.

Distributions out of capital is equivalent to a reduction or return of an investor's initial capital. Please note the risks of distributions described in "Specific Risks Related to the Target Fund" on page 14.

Over time, the NAV of Class B may drop to a certain threshold as set out in the deed where it is no longer feasible to maintain Class B. In such a scenario, the Target Fund Manager have the absolute discretion to terminate Class B in accordance with the deed.

Further, the Target Fund Manager may at any time, with prior notification to the trustee, perform unit consolidation (or reverse unit split) for any of the classes of FSH-Income in accordance with the deed. For example, if you hold 1,000 Class B units at S\$0.50000 per unit, the Target Fund Manager can consolidate the holdings into 500 Class B units at S\$1.00000 per unit. All fractions of units resulting from such consolidation shall be truncated to 3 decimal places or such other truncation or rounding method as the Target Fund Manager may determine with prior notification to the trustee. The Target Fund Manager shall notify Principal Malaysia of the unit consolidation and the registrar shall alter the register relating to the sub-fund accordingly as to the new number of units held by Principal Heritage Income Fund as a result of such unit consolidation.

2.2.2. FULLERTON SGD HERITAGE BALANCED (“FSH-BALANCED”)

Investment Objective

The investment objective of FSH-Balanced is to generate regular income and long term capital appreciation for investors.

Investment Focus and Approach

FSH-Balanced will invest primarily in a diversified portfolio of CIS, other investment funds, securities, including but not limited to fixed income securities, equities, real estate investment trusts (“REITs”), money market instruments and cash as deemed appropriate by the Target Fund Manager in accordance with its investment objective.

Singapore and SGD Denominated Securities

In normal market conditions, the Target Fund Manager aims to invest around 50% of FSH-Balanced’s NAV in Singapore securities (defined by country of risk) and/or SGD denominated securities, cash and cash equivalents. The Target Fund Manager may, if deem reasonable, invest less than 50% of the FSH-Balanced’s NAV in Singapore securities and/or SGD denominated securities and cash.

Fixed Income

The fixed income securities invested by FSH-Balanced may be investment grade, non-investment grade and/or unrated securities primarily issued by companies, governments, quasi-governments, government agencies or supra-nationals, with no specific geographical or sectoral emphasis.

Fixed income securities invested by FSH-Balanced may be denominated in SGD and/or foreign currencies. Foreign currency denominated fixed income securities will generally be hedged back to the SGD except for some frictional currency limit (to account for possible deviation from a 100% hedge).

Non-rated debt securities will be subject to the Target Fund Manager’s internal rating process and will be accorded their internal equivalent rating of investment grade or non-investment grade accordingly.

Equities

Equities may include, but are not limited to, REITs, companies listed on recognised stock exchanges in Asia and/or institutions which have operations in, exposure to, or derive part of their revenue from Asia, wherever they may be listed.

FSH-Balanced may also invest in developed market equities (ex-Asia) for diversification reason.

Investment in Underlying Funds

FSH-Balanced may invest 30% or more of its NAV into any of the underlying funds set out below (each an “Underlying Fund” and collectively, the “Underlying Funds”) or any other investment schemes as notified by the Target Fund Manager from time to time. The specific percentage investment into each Underlying Fund may vary from time to time at the Target Fund Manager’s sole discretion.

| No | Underlying funds |
|----|---|
| 1 | Fullerton Lux Funds - Asia Growth & Income Equities (“LAGIE”) |
| 2 | Fullerton Lux Funds - Asia Focus Equities (“LHCAE”) |
| 3 | Fullerton Lux Funds - Asia Absolute Alpha (“LAAA”) |
| 4 | Fullerton Lux Funds - Asian High Yield Bonds (“LAHYB”) |
| 5 | Fullerton Lux Funds - Asian Bonds (“LABF”) |
| 6 | Fullerton Lux Funds - Asian Short Duration Bonds (“LASDB”) |
| 7 | Fullerton Short Term Interest Rate Fund (“FSTIR”) |
| 8 | Fullerton SGD Cash Fund (“FSCF”) |
| 9 | Fullerton SGD Income Fund (“FSIF”) |
| 10 | Fullerton USD Income Fund (“FUSIF”) |

Please note that FSH-Balanced may also invest into other CIS and investment funds not listed above.

FSTIR, FSCF, FSIF and FUSIF are sub-funds of the Fullerton Fund and their details are set in Annex 1 – Fullerton Short Term Interest Rate Fund, Annex 2 – Fullerton SGD Cash Fund, Annex 5 – Fullerton SGD Income Fund and Annex 9 – Fullerton USD Income Fund of the Prospectus.

LAGIE, LHCAE, LAAA, LAHYB, LABF and LASDB are sub-funds of the umbrella fund, Fullerton Lux Funds, and are each referred to as the “Fullerton Lux sub-fund” and collectively, the “Fullerton Lux sub-funds”. The information of the Fullerton Lux Funds is available at <http://www.fullertonfund.com>.

The investment objectives, policies and approach of the Fullerton Lux sub-funds are as follows:

| Fullerton Lux Sub-Funds | Investment objective and policies |
|-------------------------|--|
| LAGIE | <p>The investment objective of LAGIE is to achieve competitive risk adjusted returns on a relative basis.</p> <p>As the investment manager of LAGIE, Fullerton FMC seek to achieve the objective of LAGIE by investing primarily in equities with high dividend yields. The investment universe of LAGIE will include equities listed on exchanges in Asia, as well as equities of companies or institutions which have operations in, exposure to, or derive part of their revenue from Asia, wherever they may be listed. Fullerton FMC may also make indirect investments in equities via participatory notes (where the underlying assets would comprise equities defined above). LAGIE may also invest in futures on indices composed of or containing securities belonging to the investment universe. On an ancillary basis, LAGIE may also hold cash and cash equivalents.</p> <p>LAGIE's investment in China "A" Shares listed on PRC Stock Exchanges may be made through the Stock Connects and/or any other means as may be permitted by the relevant regulations from time to time, for up to 35% of LAGIE's net asset value.</p> <p>The Asian countries in which LAGIE may invest excludes Japan.</p> |
| LHCAE | <p>The investment objective of LHCAE is to achieve competitive risk adjusted returns on a relative basis.</p> <p>As the investment manager of LHCAE, Fullerton FMC seek to achieve the objective of LHCAE by investing primarily in equities, index futures, cash and cash equivalents. Typically, LHCAE will concentrate the investments in a limited number of holdings. The investment universe of LHCAE will include equities listed on exchanges in Asia, as well as equities of companies or institutions which have operations in, exposure to, or derive part of their revenue from Asia, wherever they may be listed. Fullerton FMC may also make indirect investments in equities via participatory notes (where the underlying assets would comprise equities defined above).</p> <p>LHCAE's investment in China "A" Shares listed on PRC Stock Exchanges may be made through the Stock Connects and/or any other means as may be permitted by the relevant regulations from time to time, for up to 35% of LHCAE's net asset value.</p> <p>The Asian countries in which LHCAE may invest excludes Australia, Japan and New Zealand.</p> |
| LAAA | <p>The investment objective of LAAA is to generate long term positive return, which includes both capital appreciation and income.</p> <p>As the investment manager of LAAA, Fullerton FMC seek to achieve the objective of LAAA by investing primarily in, but not limited to, equities, stock warrants, index futures, cash and cash equivalents. The investment universe of LAAA will include, but not limited to, equities and equities-related securities listed on exchanges in the Asia Pacific region, as well as equities and equities-related securities of companies which have operations in, exposure to, or derive part of their revenue from the Asia Pacific region, wherever they may be listed. Fullerton FMC may also make indirect investments in equities via participatory notes and other eligible access products (where the underlying assets would comprise equities defined above).</p> <p>LAAA's investment in China "A" Shares listed on PRC Stock Exchanges may be made through the Stock Connects and/or any other means as may be permitted by the relevant regulations from time to time, for up to 35% of LAAA's net asset value.</p> <p>LAAA will typically be comprised of a concentrated portfolio of between 20 to 30 high conviction holdings, and will be constructed without reference to any particular benchmark. Financial derivative instruments (FDIs) and cash may be used to actively manage LAAA's market exposure with a view to protect LAAA from a permanent loss of capital.</p> <p>The Asia Pacific countries in which LAAA may invest excludes Japan.</p> |
| LAHYB | <p>The investment objective of LAHYB is to generate long term capital appreciation for investors.</p> <p>As the investment manager of LAHYB, Fullerton FMC seek to achieve the objective of LAHYB by investing primarily in unrated or rated non-investment grade fixed income or debt securities, including convertibles, denominated primarily in USD and Asian currencies and primarily issued by companies, governments, quasi-governments, government agencies or supranationals in the Asian region.</p> <p>The Asian countries may include but are not limited to China, (including Hong Kong SAR and Taiwan), South Korea, India, Thailand, Malaysia, Singapore, Indonesia, the Philippines and Vietnam.</p> |
| LABF | <p>The investment objective of LABF is to generate long-term capital appreciation for investors.</p> |

| Fullerton Lux Sub-Funds | Investment objective and policies |
|-------------------------|--|
| | As the investment manager of LABF, Fullerton FMC seek to achieve the objective of LABF by investing in fixed income or debt securities denominated primarily in US\$ and Asian currencies, issued by companies, governments, quasi-governments, government agencies or supranationals in the Asian region. The Asian countries in which LABF may invest include but are not limited to China (including Hong Kong SAR and Taiwan), South Korea, India, Thailand, Malaysia, Singapore, Indonesia, the Philippines, Pakistan and Vietnam. |
| LASDB | <p>The investment objective of LASDB is to generate long term capital appreciation and/or income returns for investors.</p> <p>As the investment manager of LASDB, Fullerton FMC seek to achieve the objective of LASDB by investing in short duration fixed income or debt securities issued by companies, governments, quasi-governments, government agencies or supranationals in the Asian region.</p> <p>The Asian countries may include but are not limited to China, (including Hong Kong SAR and Taiwan), South Korea, India, Thailand, Malaysia, Singapore, Indonesia, the Philippines, Pakistan and Vietnam.</p> |

As the investment manager of the Fullerton Lux sub-funds, Fullerton FMC seek to achieve the investment objective of LAGIE, LHCAE and LAAA by leveraging on Fullerton FMC's expertise in bottom-up stock selection, which Fullerton FMC believe provides the greatest opportunities for alpha generation. Fullerton FMC adopt a bottom-up approach to portfolio construction. Fullerton FMC's investment process centres on bottom-up fundamental research and Fullerton FMC seek to populate the portfolio with the best bottom-up ideas Fullerton FMC are able to identify.

Fullerton FMC seek to achieve the investment objective of LAHYB, LABF and LASDB by using a combination of top-down macro research for duration or interest rate management and sector allocation, as well as bottom-up analysis for credit selection and yield curve positioning. Fullerton FMC believe that this top down-bottom up investment approach provides the best opportunities for achieving superior risk-adjusted returns over the long term.

Neutral asset allocation

FSH-Balanced will be referenced against the neutral asset allocation mix below:

- Equities: 50%
- Fixed income and/or cash: 50%

The Target Fund Manager have the discretion to perform tactical asset allocation and vary the percentage of the NAV of FSH-Balanced that is exposed to the various underlying investments, including the percentage asset allocation stated above.

Managers of the Underlying Funds

Fullerton FMC (i.e. the Target Fund Manager) is the managers of FSTIR, FSCF, FSIF and FUSIF.

Lemanik Asset Management S.A. (the "Management Company") has been appointed as the management company of Fullerton Lux Funds to perform asset management, administration and marketing functions. The Management Company was incorporated in Luxembourg in 1993 and is regulated by the CSSF. The Management Company has managed CIS or discretionary funds since 2006. The Management Company has fully delegated its investment management functions to Fullerton FMC and have appointed Fullerton FMC as the investment manager of the Fullerton Lux sub-funds. The details of Fullerton FMC are set out in "About Fullerton Fund" section on page 20.

Use of Financial Derivative Instruments

FSH-Balanced may employ FDIs for hedging and efficient portfolio management purposes.

FSTIR may invest in FDIs for the purposes of hedging and/or efficient portfolio management (namely, managing risks) without leveraging the portfolio. The Target Fund Manager presently do not intend to use FDIs for FSCF. For FSIF and FUSIF, the Target Fund Manager may use FDIs for hedging and efficient portfolio management purposes.

The Fullerton Lux sub-funds may employ FDIs as part of each of their investment strategy and not merely for efficient portfolio management and hedging purposes. FDIs may be employed by LAGIE, LHCAE and LAAA to create market exposures, and by LAHYB, LABF and LASDB to create synthetic instruments. Such FDIs include over-the-counter and/or exchange traded options, futures, warrants, swaps, forward contracts, participatory notes, index-linked notes and/or a combination of the above.

The global exposures of the Fullerton Lux sub-funds are calculated using the commitment approach, as detailed in laws and regulations applicable to them.

The use of FDIs may lead to a higher volatility in the price of shares of the Fullerton Lux sub-funds and may increase the counterparty risk of the Fullerton Lux sub-funds.

Base Currency

The base currency of FSH-Balanced is SGD.

Benchmark

FSH-Balanced has no benchmark.

Distribution Policy

Distributions (if any) may be declared in the Target Fund Manager's absolute discretion. The Target Fund Manager's current intention is to declare distribution out of the income and/or capital of FSH-Balanced.

The Class B of FSH-Balanced distributes up to 4%p.a. on monthly basis.

For the avoidance of doubt, coupons, dividends and realised capital gains are considered income, while unrealised capital gains are considered capital.

Please note the risks of distributions described in "Specific Risks Related to the Target Fund" on page 14.

2.2.3. FULLERTON SGD HERITAGE GROWTH (“FSH-GROWTH”)

Investment Objective

The investment objective of FSH-Growth is to generate regular income and long term capital appreciation for investors.

Investment Focus and Approach

FSH-Growth will invest primarily in a diversified portfolio of CIS, other investment funds, securities, including but not limited to fixed income securities, equities, real estate investment trusts (“REITs”), money market instruments and cash as deemed appropriate by the Target Fund Manager in accordance with its investment objective.

Singapore and SGD Denominated Securities

In normal market conditions, the Target Fund Manager aims to invest around 50% of FSH-Growth’s NAV in Singapore securities (defined by country of risk) and/or SGD denominated securities, cash and cash equivalents. The Target Fund Manager may, if deemed reasonable, invest less than 50% of the FSH-Growth’s NAV in Singapore securities and/or SGD denominated securities and cash.

Fixed Income

The fixed income securities invested by FSH-Growth may be investment grade, non-investment grade and/or unrated securities primarily issued by companies, governments, quasi-governments, government agencies or supra-nationals, with no specific geographical or sectoral emphasis.

Fixed income securities invested by FSH-Growth may be denominated in SGD and/or foreign currencies. Foreign currency denominated fixed income securities will generally be hedged back to the SGD except for some frictional currency limit (to account for possible deviation from a 100% hedge).

Non-rated debt securities will be subject to the Target Fund Manager’s internal rating process and will be accorded their internal equivalent rating of investment grade or non-investment grade accordingly.

Equities

Equities may include, but are not limited to, REITs, companies listed on recognised stock exchanges in Asia and/or institutions which have operations in, exposure to, or derive part of their revenue from Asia, wherever they may be listed.

FSH-Growth may also invest in developed market equities (ex-Asia) for diversification reason.

Investment in Underlying Funds

FSH-Growth may invest 30% or more of its NAV into any of the underlying funds set out below (each an “Underlying Fund” and collectively, the “Underlying Funds”) or any other investment schemes as notified by the Target Fund Manager from time to time. The specific percentage investment into each Underlying Fund may vary from time to time at the Target Fund Manager’s sole discretion.

| No | Underlying funds |
|----|---|
| 1 | Fullerton Lux Funds - Asia Growth & Income Equities (“LAGIE”) |
| 2 | Fullerton Lux Funds - Asia Focus Equities (“LHCAE”) |
| 3 | Fullerton Lux Funds - Asia Absolute Alpha (“LAAA”) |
| 4 | Fullerton Lux Funds - Asian High Yield Bonds (“LAHYB”) |
| 5 | Fullerton Lux Funds - Asian Bonds (“LABF”) |
| 6 | Fullerton Lux Funds - Asian Short Duration Bonds (“LASDB”) |
| 7 | Fullerton Short Term Interest Rate Fund (“FSTIR”) |
| 8 | Fullerton SGD Cash Fund (“FSCF”) |
| 9 | Fullerton SGD Income Fund (“FSIF”) |
| 10 | Fullerton USD Income Fund (“FUSIF”) |

Please note that FSH-Growth may also invest into other CIS and investment funds not listed above.

FSTIR, FSCF, FSIF and FUSIF are sub-funds of the Fullerton Fund and their details are set in Annex 1 – Fullerton Short Term Interest Rate Fund, Annex 2 – Fullerton SGD Cash Fund, Annex 5 – Fullerton SGD Income Fund and Annex 9 – Fullerton USD Income Fund of the Prospectus.

LAGIE, LHCAE, LAAA, LAHYB, LABF and LASDB are sub-funds of the umbrella fund, Fullerton Lux Funds, and are each referred to as the “Fullerton Lux sub-fund” and collectively, the “Fullerton Lux sub-funds”. The information of the Fullerton Lux Funds is available at <http://www.fullertonfund.com>.

The investment objectives, policies and approach of the Fullerton Lux sub-funds are as follows:

| Fullerton Lux Sub-Funds | Investment objective and policies |
|-------------------------|--|
| LAGIE | <p>The investment objective of LAGIE is to achieve competitive risk adjusted returns on a relative basis.</p> <p>As the investment manager of LAGIE, Fullerton FMC seek to achieve the objective of LAGIE by investing primarily in equities with high dividend yields. The investment universe of LAGIE will include equities listed on exchanges in Asia, as well as equities of companies or institutions which have operations in, exposure to, or derive part of their revenue from Asia, wherever they may be listed. Fullerton FMC may also make indirect investments in equities via participatory notes (where the underlying assets would comprise equities defined above). LAGIE may also invest in futures on indices composed of or containing securities belonging to the investment universe. On an ancillary basis, LAGIE may also hold cash and cash equivalents.</p> <p>LAGIE's investment in China "A" Shares listed on PRC Stock Exchanges may be made through the Stock Connects and/or any other means as may be permitted by the relevant regulations from time to time, for up to 35% of LAGIE's net asset value.</p> <p>The Asian countries in which LAGIE may invest excludes Japan.</p> |
| LHCAE | <p>The investment objective of LHCAE is to achieve competitive risk adjusted returns on a relative basis.</p> <p>As the investment manager of LHCAE, Fullerton FMC seek to achieve the objective of LHCAE by investing primarily in equities, index futures, cash and cash equivalents. Typically, LHCAE will concentrate the investments in a limited number of holdings. The investment universe of LHCAE will include equities listed on exchanges in Asia, as well as equities of companies or institutions which have operations in, exposure to, or derive part of their revenue from Asia, wherever they may be listed. Fullerton FMC may also make indirect investments in equities via participatory notes (where the underlying assets would comprise equities defined above).</p> <p>LHCAE's investment in China "A" Shares listed on PRC Stock Exchanges may be made through the Stock Connects and/or any other means as may be permitted by the relevant regulations from time to time, for up to 35% of LHCAE's net asset value.</p> <p>The Asian countries in which LHCAE may invest excludes Australia, Japan and New Zealand.</p> |
| LAAA | <p>The investment objective of LAAA is to generate long term positive return, which includes both capital appreciation and income.</p> <p>As the investment manager of LAAA, Fullerton FMC seek to achieve the objective of LAAA by investing primarily in, but not limited to, equities, stock warrants, index futures, cash and cash equivalents. The investment universe of LAAA will include, but not limited to, equities and equities-related securities listed on exchanges in the Asia Pacific region, as well as equities and equities-related securities of companies which have operations in, exposure to, or derive part of their revenue from the Asia Pacific region, wherever they may be listed. Fullerton FMC may also make indirect investments in equities via participatory notes and other eligible access products (where the underlying assets would comprise equities defined above).</p> <p>LAAA's investment in China "A" Shares listed on PRC Stock Exchanges may be made through the Stock Connects and/or any other means as may be permitted by the relevant regulations from time to time, for up to 35% of LAAA's net asset value.</p> <p>LAAA will typically be comprised of a concentrated portfolio of between 20 to 30 high conviction holdings, and will be constructed without reference to any particular benchmark. Financial derivative instruments (FDIs) and cash may be used to actively manage LAAA's market exposure with a view to protect LAAA from a permanent loss of capital.</p> <p>The Asia Pacific countries in which LAAA may invest excludes Japan.</p> |
| LAHYB | <p>The investment objective of LAHYB is to generate long term capital appreciation for investors.</p> <p>As the investment manager of LAHYB, Fullerton FMC seek to achieve the objective of LAHYB by investing primarily in unrated or rated non-investment grade fixed income or debt securities, including convertibles, denominated primarily in USD and Asian currencies and primarily issued by companies, governments, quasi-governments, government agencies or supranationals in the Asian region.</p> <p>The Asian countries may include but are not limited to China, (including Hong Kong SAR and Taiwan), South Korea, India, Thailand, Malaysia, Singapore, Indonesia, the Philippines and Vietnam.</p> |
| LABF | <p>The investment objective of LABF is to generate long-term capital appreciation for investors.</p> |

| Fullerton Lux Sub-Funds | Investment objective and policies |
|-------------------------|--|
| | As the investment manager of LABF, Fullerton FMC seek to achieve the objective of LABF by investing in fixed income or debt securities denominated primarily in US\$ and Asian currencies, issued by companies, governments, quasi-governments, government agencies or supranationals in the Asian region. The Asian countries in which LABF may invest include but are not limited to China (including Hong Kong SAR and Taiwan), South Korea, India, Thailand, Malaysia, Singapore, Indonesia, the Philippines, Pakistan and Vietnam. |
| LASDB | <p>The investment objective of LASDB is to generate long term capital appreciation and/or income returns for investors.</p> <p>As the investment manager of LASDB, Fullerton FMC seek to achieve the objective of LASDB by investing in short duration fixed income or debt securities issued by companies, governments, quasi-governments, government agencies or supranationals in the Asian region.</p> <p>The Asian countries may include but are not limited to China, (including Hong Kong SAR and Taiwan), South Korea, India, Thailand, Malaysia, Singapore, Indonesia, the Philippines, Pakistan and Vietnam.</p> |

As the investment manager of the Fullerton Lux sub-funds, Fullerton FMC seek to achieve the investment objective of LAGIE, LHCAE and LAAA by leveraging on Fullerton FMC's expertise in bottom-up stock selection, which Fullerton FMC believe provides the greatest opportunities for alpha generation. Fullerton FMC adopt a bottom-up approach to portfolio construction. Fullerton FMC's investment process centres on bottom-up fundamental research and Fullerton FMC seek to populate the portfolio with the best bottom-up ideas Fullerton FMC are able to identify.

Fullerton FMC seek to achieve the investment objective of LAHYB, LABF and LASDB by using a combination of top-down macro research for duration or interest rate management and sector allocation, as well as bottom-up analysis for credit selection and yield curve positioning. Fullerton FMC believe that this top down-bottom up investment approach provides the best opportunities for achieving superior risk-adjusted returns over the long term.

Neutral asset allocation

FSH-Growth will be referenced against the neutral asset allocation mix below:

- Equities: 80%
- Fixed income and/or cash: 20%

The Target Fund Manager have the discretion to perform tactical asset allocation and vary the percentage of the NAV of FSH-Growth that is exposed to the various underlying investments, including the percentage asset allocation stated above.

Managers of the Underlying Funds

Fullerton FMC (i.e. the Target Fund Manager) is the managers of FSTIR, FSCF, FSIF and FUSIF.

Lemanik Asset Management S.A. (the "Management Company") has been appointed as the management company of Fullerton Lux Funds to perform asset management, administration and marketing functions. The Management Company was incorporated in Luxembourg in 1993 and is regulated by the CSSF. The Management Company has managed CIS or discretionary funds since 2006. The Management Company has fully delegated its investment management functions to Fullerton FMC and have appointed Fullerton FMC as the investment manager of the Fullerton Lux sub-funds. The details of Fullerton FMC are set out in "About Fullerton Fund" section on page 20.

Use of Financial Derivative Instruments

FSH-Growth may employ FDIs for hedging and efficient portfolio management purposes.

FSTIR may invest in FDIs for the purposes of hedging and/or efficient portfolio management (namely, managing risks) without leveraging the portfolio. Fullerton FMC presently do not intend to use FDIs for FSCF. For FSIF and FUSIF, Fullerton FMC may use FDIs for hedging and efficient portfolio management purposes.

The Fullerton Lux sub-funds may employ FDIs as part of each of their investment strategy and not merely for efficient portfolio management and hedging purposes. FDIs may be employed by LAGIE, LHCAE and LAAA to create market exposures, and by LAHYB, LABF and LASDB to create synthetic instruments. Such FDIs include over-the-counter and/or exchange traded options, futures, warrants, swaps, forward contracts, participatory notes, index-linked notes and/or a combination of the above.

The global exposures of the Fullerton Lux sub-funds are calculated using the commitment approach, as detailed in laws and regulations applicable to them.

The use of FDIs may lead to a higher volatility in the price of shares of the Fullerton Lux sub-funds and may increase the counterparty risk of the Fullerton Lux sub-funds.

Base Currency

The base currency of FSH-Growth is SGD.

Benchmark

FSH-Growth has no benchmark.

Distribution Policy

Distributions (if any) may be declared in the Target Fund Manager's absolute discretion. The Target Fund Manager's current intention is to declare distribution out of the income and/or capital of FSH-Growth.

The Class B of FSH-Growth distributes up to 2%p.a. on monthly basis.

For the avoidance of doubt, coupons, dividends and realised capital gains are considered income, while unrealised capital gains are considered capital.

Please note the risks of distributions described in "Specific Risks Associated with Investments in the Target Fund" on page 14.

2.3. AUTHORISED INVESTMENTS OF THE TARGET FUND

1. Subject to compliance with its respective investment objectives and (as set out in Paragraph 20.4 of the Prospectus) investment guidelines, the Target Funds may invest in the following investments (“Authorised Investments”):
 - 1.1 any Quoted Investment;
 - 1.2 any Unquoted Investment;
 - 1.3 any Investment which is a futures, option, forward, swap, collar, floor or other derivative; and
 - 1.4 any other Investment not covered above but approved by the trustee.
2. **Use of FDIs by the Sub-Funds**
 - 2.1. The Sub-Funds that use or invest in FDIs will be subject to risks associated with such investments. Therefore, it is essential that investments in FDIs are monitored closely. The Target Fund Manager have the necessary expertise to control and manage such risks. The Target Fund Manager will ensure that the Target Fund Manager’s risk management and compliance procedures and controls are adequate, and have been or will be implemented.
 - 2.2. The global exposure of each Sub-Fund to FDIs or embedded FDIs will not exceed 100% of the NAV of that Sub-Fund at any time. The Target Fund Manager will apply a commitment approach to determine the exposure by converting the positions in FDIs into equivalent positions in the underlying assets.
 - 2.3. The Target Fund Manager will attempt to minimise the risks of using FDIs through the careful selection of reputable counterparties and constant monitoring of each Sub-Fund’s derivative position. Such counterparties will have a credit rating of at least A3 by Moody’s or A- by Standard and Poor’s (or their equivalents) and will be subject to such other selection criteria as the Target Fund Manager may determine.
 - 2.4. A Sub-Fund may net its OTC financial derivative positions with a counterparty through a bilateral agreement with the counterparty if such netting arrangements satisfy the conditions described in the Code. In addition, the Target Fund Manager will put in place operating procedures to ensure the legal validity of netting arrangements due to changes in the law.
 - 2.5. Where a Sub-Fund uses or invests in FDIs on commodities, such transactions shall be settled in cash at all times.
 - 2.6. A Sub-Fund which is an excluded investment product (EIP) will be subject to limits on the use of FDIs as set out in the Schedule to the Securities and Futures (Capital Markets Products) Regulations 2018.
 - 2.7. Please refer to the Annexes of the Prospectus for details on a Sub-Fund’s use of FDIs.
3. **Use of FDIs by the Fullerton Lux sub-funds**
 - 3.1. Within the limits of the 2010 Law, the Fullerton Lux sub-funds may use FDIs. The FDIs used may include, but are not limited to, options on securities, OTC options, interest rate swaps, credit default swaps, futures, currency forwards, contract for difference, credit derivatives or structured notes such as credit-linked notes, equity-linked notes and index-linked notes. Each of these investments carries its own specific risks and may increase the volatility of the Fullerton Lux sub-funds.
 - 3.2. For the purpose of classifying Fullerton Lux Funds – Asia Growth & Income Equities, Fullerton Lux Funds – Asia Focus Equities, as Excluded Investment Products, these Fullerton Lux sub-funds are subject to limits on the use of FDIs as set out in the Schedule to the Securities and Futures (Capital Markets Products) Regulations 2018.
 - 3.3. The Fullerton Lux Funds will ensure that the global exposure of each Fullerton Lux sub-fund relating to FDIs does not exceed the total net assets of the Fullerton Lux sub-fund. The global exposure to FDIs is calculated using the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions.
 - 3.4. Each Fullerton Lux sub-fund may invest in FDIs within the limits laid down in Section 1(A)(vi) and Section 1(C)(v) stated in the table below (extracted from the latest Luxembourg Prospectus for Fullerton Lux Funds dated June 2019). The exposure to the underlying assets must not exceed in aggregate the investment limits laid down in Sections 1(C)(i) to (vii). When a Fullerton Lux sub-fund invests in index-based FDIs compliant with the provisions of Sections 1(C)(i) to (vii), these investments need not be combined with the limits laid down in Section 1(C). When a transferable security or money market instrument embeds a FDI, the FDI must be taken into account when complying with the requirements of these instrument restrictions.

Certain investment limits for Fullerton Lux Funds

Section 1(A)(vi)

The Fullerton Lux Funds will invest in FDIs, including equivalent cash-settled instruments, dealt in on a Regulated Market and/or FDIs dealt in over-the-counter (“OTC derivatives”), provided that:

- the underlying consists of securities covered by this Section 1(A), financial indices, interest rates, foreign exchange rates or currencies, in which a Fullerton Lux sub-fund may invest according to its investment objective;
- the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg supervisory authority; and
- 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 initiative of Fullerton Lux Funds.

Section 1(C)

- (i) Each Fullerton Lux sub-fund may invest no more than 10% of its net asset value in transferable securities or money market instruments issued by the same issuing body (and in the case of structured financial instruments embedding derivative instruments, both the issuer of the structured financial instruments and the issuer of the underlying securities). Each Fullerton Lux sub-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 a Fullerton Lux sub-fund in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution which has its registered office in a country which is a Member State (as defined in the 2010

Law) or, if the registered office of the credit institution is situated in a third country, it is subject to prudential rules considered by the Commission de Surveillance du Secteur Financier as equivalent to those laid down in European Union Law, or 5% of its net assets in other cases.

- (ii) Further, where a Fullerton Lux sub-fund holds investments in transferable securities and money market instruments of any issuing body which individually exceed 5% of the net asset value of the Fullerton Lux sub-fund, the total value of all such investments must not account for more than 40% of the net asset value of the Fullerton Lux sub-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)(i), a Fullerton Lux sub-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.

- (iii) The limit of 10% laid down in paragraph (C)(i) above shall be 35% in respect of transferable securities or money market instruments which are issued or guaranteed by a Member State, its local authorities or by an Eligible State or by public international bodies of which one or more Member States are members.

- (iv) The limit of 10% laid down in paragraph (C)(i) above shall be 25% in respect of debt securities which are issued by highly rated credit institutions having their registered office in a Member State and which are subject by 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.

If a Fullerton Lux sub-fund invests more than 5% of its assets in the debt securities referred to in the subparagraph above and issued by one issuer, the total value of such investments may not exceed 80% of the value of the assets of the Fullerton Lux sub-fund.

- (v) The transferable securities and money market instruments referred to in paragraphs (C)(iii) and (C)(iv) are not included in the calculation of the limit of 40% referred to in paragraph (C)(ii).

The limits set out in paragraphs (C)(i), (C)(ii), (C)(iii) and (C)(iv) 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 financial derivative instruments made with this body, effected in accordance with paragraphs (C)(i), (C)(ii), (C)(iii) and (C)(iv) may not, in any event, exceed a total of 35% of the relevant Fullerton Lux sub-fund's net asset value.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with directive 83/349/EEC 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).

Each Fullerton Lux sub-fund may cumulatively invest up to 20% of its net assets in transferable securities and money market instruments within the same group.

- (vi) Without prejudice to other limits imposed on a Fullerton Lux sub-fund, 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 Fullerton Lux sub-fund's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the Luxembourg supervisory authority, 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 subparagraph 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.

- (vii) Where a Fullerton Lux sub-fund has invested in accordance with the principle of risk spreading in transferable securities or money market instruments issued or guaranteed by a Member State, by its local authorities, by another member state of the OECD, Singapore or any member state of the Group of Twenty, or by public international bodies of which one or more Member States are members, the Fullerton Lux Funds may invest 100% of the net asset value of the Fullerton Lux sub-fund in such securities provided that the Fullerton Lux sub-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 net asset value of the Fullerton Lux sub-fund.

Subject to having due regard to the principle of risk spreading, a Fullerton Lux sub-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.

- 3.5. The use of these instruments and techniques will not cause a Fullerton Lux sub-fund to diverge from its investment policy or objective. A Fullerton Lux sub-fund could hedge against risks such as market risk, foreign exchange risk, interest rates risk, credit risk, volatility or inflation risks.
- 3.6. The Fullerton Lux Funds will employ a risk management process which enables it with the investment manager of the Fullerton Lux sub-funds to monitor and measure the risk of the positions and their contribution to the overall risk profile of the relevant Fullerton Lux sub-fund. The Fullerton Lux Funds or the investment manager of the Fullerton Lux sub-funds will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instrument.
- 3.7. Investor may request for supplementary information on the risk management methods of the Fullerton Lux sub-funds (including the quantitative limits applied to each Fullerton Lux sub-fund, the methods chosen to this end and the recent evolution of the risks and yields of the main categories of instruments) and the risk management framework from Fullerton FMC.
- 3.8. Please refer to the respective Annexes of the Prospectus for FSH-Growth, FSH-Balanced and FSH-Income for details on the use of FDIs by their Underlying Fund(s) (including the method of calculating the global exposure, and any increase in volatility and risks).

4. Securities lending and repurchase transactions

The Target Fund Manager currently do not enter into repurchase transactions for the Target Funds but may do so in the future.

Currently, the Target Fund Manager do not enter into securities lending transactions for any of the Target Funds but may do so in the future.

The Sub-Funds entering into securities lending and repurchase transactions may become subject to additional requirements in the Code, and the Target Fund Manager may lend the securities to the Target Fund Manager's related corporations and/or any third party. The Target Fund Manager will ensure that the securities lending transactions will be carried out at an arm's length basis to mitigate any potential conflict of interest.

Subject to regulatory requirements and the trustee's concurrence, the Target Fund Manager may enter into revenue sharing arrangements with each Sub-Fund such that some of the income from securities lending activities may also accrue to the Target Fund Manager.

Risks relating to securities lending or repurchase transactions

Securities lending or repurchase transactions involve the following risks:

- 4.1. Liquidity risk – If a counterparty cannot settle an obligation for the full value when it is due, the Sub-Fund's ability to meet its realisation obligations and other payment commitments may be affected.
- 4.2. Counterparty/credit risk – This risk occurs if a counterparty defaults on its obligations by becoming insolvent or is otherwise unable to complete a transaction.
- 4.3. Sufficiency of collateral risk – Following a counterparty's default, the Sub-Fund can sell its collateral in the market to raise funds to replace the lent securities. However, the Sub-Fund will suffer a loss if the realised value of the collateral securities is less than the lent securities due to inaccurate pricing of the collateral, market movements or other causes.
- 4.4. Collateral investment risk – The value of the securities in which the cash collateral is invested may decline due to fluctuations in interest rates or other market-related events.
- 4.5. Delivery risk – This risk occurs when (i) securities are lent but collateral is not received at the same time or prior to the loan, or (ii) collateral is returned but the loan is not received.
- 4.6. Operational risk – This is the risk of the custodian or lending agent not administering the transaction as agreed. This includes the failure to mark to market collateralisation levels, call for additional margin, or to return excess margin and to post corporate actions and income including all economic benefits of ownership.

5. Risk management process

- 5.1. The Target Fund Manager will calculate the global exposure of each Sub-Fund in accordance with the Code, as the sum of:
 - (i) the absolute value of the exposure of each individual financial derivative not involved in netting or hedging arrangements;
 - (ii) the absolute value of the net exposure of each individual financial derivative after netting or hedging arrangements; and
 - (iii) the sum of the values of cash collateral received pursuant to:
 - the reduction of exposure to counterparties of OTC financial derivatives; and
 - efficient portfolio management techniques relating to securities lending and repurchase transactions, and that are reinvested.
- 5.2. The Target Fund Manager believe that risk management and performance analysis are integral to the investment process. The Target Fund Manager will employ a risk management process which enables the Target Fund Manager to monitor and measure at appropriate time intervals, the risk of the positions and their contribution to the overall risk profile of each Sub-Fund. The Target Fund Manager will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instrument.

- 5.3. The Target Fund Manager have dedicated risk and compliance teams which independently monitor the portfolio's risks through various tools as certain changes in the market environment may affect their value and importance. Portfolio risks are controlled to ensure that the relationship between risk and return is in line with each Sub-Fund's investment objective and strategy.

2.4. DILUTION ADJUSTMENT

The Target Funds are single priced and may fall in value due to the transaction costs incurred in the purchase and sale of underlying investments (such costs could include but are not limited to dealing spreads, broker commissions, custody transaction costs, stamp duties or sales taxes) caused by significant transactions (e.g. subscriptions, switches and/or realisations) made by investors of the relevant Target Funds. This effect is known as "dilution".

In order to counter dilution and to protect the investors' interests, the Target Fund Manager may apply a technique known as "dilution adjustment" or "swing pricing" by adjusting the NAV of the Target Funds so that the transaction costs caused by significant transactions are, as far as practical, passed on to the active investors (i.e. those who are subscribing, switching and/or realising on a particular Dealing Day). Consequently, in certain circumstances, the Target Fund Manager will make adjustments in the calculations of the NAV, to counter the impact of dealing and other costs on occasions when these are deemed to be significant ("Dilution Adjustment"). Dilution Adjustment only reduces the effect of dilution and does not eliminate it entirely.

Dilution Adjustment will not be applied if the net transaction on each Dealing Day does not exceed the threshold as a percentage of the Dealing Day's NAV (the "Threshold"). The need to apply Dilution Adjustment will depend upon the net value of subscriptions, switches and/or realisations received by the Target Funds on each Dealing Day. This could increase the variability of a Target Fund's return which is computed based on the NAV after application of Dilution Adjustment. To minimise the impact to the variability of a Target Fund's returns, the Target Fund Manager reserves the right to apply Dilution Adjustment where the Target Fund experiences a net transaction which exceeds the Threshold. Applying Dilution Adjustment only when the net transaction exceeds the Threshold reduces the impact to the variability of a Target Fund's returns. However, dilution arising from a net transaction that is below the Threshold may not be reduced and the investors' interests may be impacted by such dilution. The Threshold will be set with the objective of protecting the investors' interest while minimising impact to the variability of the Target Fund's return by ensuring that the NAV is not adjusted where the dilution impact on the Target Fund is not significant.

The Target Fund Manager have the discretion to determine and vary the Threshold from time to time. The Threshold may be applied on one or more Target Funds and may also vary between them due to differences between each Target Fund's characteristics.

The Target Fund Manager may also make a discretionary Dilution Adjustment if, in their opinion, it is in the interest of the Target Fund to do so (such as during times of stress in the markets).

Where a Dilution Adjustment is made, it will typically increase the NAV when there are net subscriptions into the Target Fund and decrease the NAV when there are net realisations. The NAV of each class in the Target Fund will be calculated separately but any Dilution Adjustment will, in percentage terms, affect the NAV of each class identically.

As dilution is related to the net subscription and net realisation of a Target Fund, dilution may occur in the future. Consequently, it is not possible to accurately predict how frequently the Target Fund Manager will need to make such Dilution Adjustment. Dilution Adjustment for each Target Fund will be calculated by reference to the costs of dealing in the underlying investments of that Target Fund, including any dealing spreads, which may vary with market conditions. This means that the Target Fund Manager may increase or vary the amount of the Dilution Adjustment from time to time.

Under normal circumstances, the Dilution Adjustment will not exceed 2% of the relevant Net Asset Value. However, please note that the Target Fund Manager have the discretion to temporarily increase the Dilution Adjustment beyond this 2% limit in accordance with the Deed, including:

- (i) where the Target Fund Manager observe any period of significant liquidity pressures in the markets resulting in an abnormal increase of transaction costs;
- (ii) where the Target Fund Manager observe a significant distortion between the realisable traded price of a security and its valuation price; or
- (iii) in any other exceptional circumstance, where the increase of the Dilution Adjustment beyond the 2% limit is, in our opinion, in the interest of the Holders of the relevant Target Fund.

The Target Fund Manager will notify investors only when the Target Fund Manager has increased the Dilution Adjustment beyond the 2% limit.

2.5. SUSPENSION OF DEALINGS

Subject to the requirements of the Code, the Target Fund Manager or the trustee may, with the other's prior written approval, suspend the issue and realisation of units during:

1. any period when the Recognised Stock Exchange or the OTC Market on which any Authorised Investments forming part of Deposited Property (whether of any particular Sub-Fund or of the Fund) for the time being are dealt in is closed (otherwise than for ordinary holidays) or during which dealings are restricted or suspended;

2. the existence of any state of affairs which, in the opinion of the trustee and the Target Fund Manager's, might seriously prejudice the interests of the holders (whether of any particular Sub-Fund or of the Fullerton Fund) as a whole or of the Deposited Property (whether of any particular Sub-Fund or of the Fullerton Fund);
3. any breakdown in the means of communication normally employed in determining the price of any of such Authorised Investments or the current price on that Recognised Stock Exchange or that OTC Market or when for any reason the prices of any of such Authorised Investments cannot be promptly and accurately ascertained (including any period when the fair value of a material portion of the Authorised Investments cannot be determined);
4. any period when remittance of money which will or may be involved in the realisation of such Authorised Investments or in the payment for such Authorised Investments cannot, in the opinion of the trustee and the Target Fund Manager's, be carried out at normal rates of exchange;
5. any 48 hour period (or such longer period as the Target Fund Manager and the trustee may agree) prior to the date of any meeting or adjourned meeting of holders;
6. any period where the dealing in units is suspended pursuant to any order or direction of the MAS;
7. any period when the business operations of the trustee or the Target Fund Manager's for the operation of any particular Sub-Fund or of the Fullerton Fund is substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God;
8. for a Sub-Fund which is a feeder fund (as defined in the deed), during any period when dealings in units or shares in any of the underlying funds in which the Sub-Fund is invested are restricted or suspended; or
9. in exceptional circumstances where such suspension is in the interest of the holders (whether of any particular Sub-Fund or of the Fullerton Fund).

Subject to the requirements of the Code, such suspension will take effect immediately upon the Target Fund Manager's written declaration to the trustee (or by the trustee to the Target Fund Manager) and will terminate as soon as practical when the condition giving rise to the suspension ceases to exist and no other conditions under which suspension is authorised under this Paragraph 15 of the Prospectus (i.e. Suspension of Dealings) exists upon the written declaration by the Target Fund Manager (or by the trustee), and in any event, within such period as prescribed by the Code. The period of suspension may be extended in accordance with the Code.

2.6. DEFERRAL OF REDEMPTION

Realisation of units may be limited by the total number of units of such Target Fund to be realised on any Dealing Day and may not exceed 10% of the total number of units of the Target Fund then in issue. This limitation is to be applied proportionally to all holders of the Target Fund who have validly requested for the realisation of their units on such Dealing Day. Any units not realised will be realised on the next Dealing Day, subject to the same limitation.

2.7. COMPULSORY REALISATION

The Target Fund Manager (in consultation with the trustee) may compulsorily realise investor's units if such units are acquired or held:

- (i) in breach of the law or official requirements of any jurisdiction or regulatory authority which in the Target Fund Manager's opinion might adversely affect the Sub-Fund and/or the Fullerton Fund;
- (ii) in circumstances which in the Target Fund Manager's opinion may result in the Sub-Fund and/or the Fullerton Fund incurring any tax, licensing or registration liability in any jurisdiction which that Sub-Fund and/or the Fullerton Fund might not otherwise have incurred or which in the Target Fund Manager's opinion (in consultation with the trustee) may result in the Sub-Fund and/or the Fullerton Fund suffering any disadvantage which that Sub-Fund and/or the Fullerton Fund might not otherwise have suffered or where information (including but not limited to information regarding tax status, identity or residency), self-certifications or documents as the Target Fund Manager's may request pursuant to local laws, regulations or contractual obligations with other jurisdictions' authorities cannot be obtained from investor, or the investor have refused to provide the same or have withdrawn the investor's authorisation for the trustee and/or the Target Fund Manager to disclose such information, documents or self-certifications as may be required by the trustee and/or the Target Fund Manager; or
- (iii) in circumstances where the investor has refused or withdrawn the investor's consent for the trustee and/or the Target Fund Manager to collect, use and/or disclose information relating to the investor.

If the Target Fund Manager and/or the trustee is required to account to any duly empowered fiscal authority of the Republic of Singapore or elsewhere for any income or other taxes, charges or assessments whatsoever on the value of any units the investor hold, the Target Fund Manager (in consultation with the trustee) may by notice to the investor realise such number of the investor's units as may be necessary to discharge the tax liability arising as if the investor had requested in writing the realisation of such units. The Target Fund Manager and/or the trustee may apply the proceeds of such realisation in payment, reimbursement and/or set-off against the tax liability.

2.8. SPECIFIC RISKS OF THE TARGET FUND

Please refer to "Specific Risks Related to the Target Fund" section at page 14 for details.

2.9. FEES CHARGED BY THE TARGET FUND

| FEES/EXPENSES | | | |
|--|--|--|--|
| | FSH-Income | FSH-Balanced | FSH-Growth |
| Preliminary charge | Currently up to 3% of gross subscription amount, maximum 5%. Note: The preliminary charge will be waived by the Target Fund Manager. | | |
| Realisation charge | Currently 0%, maximum 2%. Note: The realisation charge (if any) will be waived by the Target Fund Manager. | | |
| Switching fee | Currently up to 2%, maximum 2%. Note: The switching fee will be waived by the Target Fund Manager. | | |
| Dilution adjustment | Nil. | | |
| Fees payable by the Target Funds* | | | |
| Trustee fee, registrar fee and valuation fee | Currently, the Trustee fee is not more than 0.1% p.a. and is subject to a maximum of 0.25% p.a. and minimum of S\$12,000 p.a. Each fee may amount to or exceed 0.1% p.a., depending on the proportion that fee bears to the NAV of the Target Fund. | | |
| Management fee | Currently 0.80% p.a., maximum 1.5% p.a. | Currently 0.88% p.a., maximum 1.5%. | Currently 0.98% p.a., maximum up to 1.5%. |
| | Note: The management fee charged by the Target Fund will be paid out of the Management Fee charged by the Manager at the Fund level. You will incur Management Fee at the Fund's level only and there is no double charging of management fee. | | |
| Performance fee | Nil. | | |
| Other expenses | There may be other fees, charges and expenses such as audit fee (payable to the auditors), custody and transaction fees (payable to the trustee and the custodian) and other fees and charges (such as printing costs, professional fees, goods and services tax and other out-of-pocket expenses). Each fee or charge may amount to or exceed 0.1% p.a., depending on the proportion that fee or charge bears to the NAV of the Target Fund. | | |

* For fees payable by the Target Funds and calculated based on the NAV, such fees will be computed before taking into account any dilution adjustment. Please see Section 2.4 Dilution Adjustment on page 36 for details on the application of dilution adjustment.

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

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.

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.

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

3.2. FEES AND EXPENSES

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

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

3.2.1. Management Fee

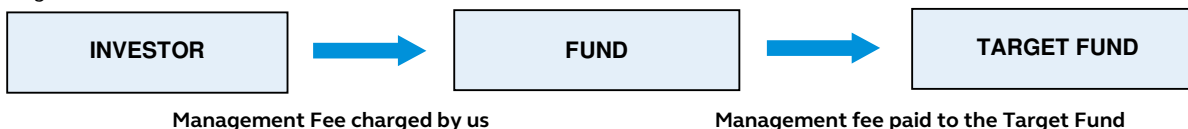
Please note that the Management Fee is charged to the respective Class at the Class level, based on the NAV of the Class. Please refer to the Annexure of the respective Class for further information. The Management Fee shall be accrued daily and paid monthly.

Below is an illustration on how the Management Fee is calculated, assuming the below Management Fee rate and NAV for both Class ABC and Class XYZ:-

| | Class ABC (Denominated in SGD) (SGD) | Class XYZ (Denominated in MYR) (SGD) |
|--|---|---|
| Management Fee | 1.80% per annum | 1.80% per annum |
| NAV of the class | SGD 150 million | SGD 150 million |
| Management Fee for the day = NAV of the class x Management Fee rate for the class (%) / 365 days | = SGD 150 million x 1.80% / 365 = SGD 7,397.26 | = SGD 150 million x 1.80% / 365 = SGD 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 38 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 SGD 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
 = SGD 300 million x 0.04% / 365
 = SGD 328.76

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

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

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 38.

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 Funds, 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. We will ensure that there is no double charging of management fee to be incurred by you when you invest in the Fund. All expenses of the Fund will generally be apportioned to each Class based on the MCR except for 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.

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

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

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.

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

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

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

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

4. TRANSACTION INFORMATION

4.1. VALUATION OF INVESTMENTS PERMITTED BY THE FUND

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

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

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

If the value of the Fund’s assets is denominated in a foreign currency, the assets are translated on a daily basis to SGD 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 Investment Management Standards 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. SGD). 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 Investment Management Standards issued by the FIMM. The NAV per unit for a Business Day is available on our website at <http://www.principal.com.my> after 5:30 p.m. on the following Business Day (T+1).

After the initial offer period, the Funds must be valued at least once every Business Day. The method of determining NAV per unit of the Class is calculated as follows:

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

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

The valuation of the Fund is in the base currency i.e. SGD. As such, all the assets and liabilities of each Class will be translated into SGD for valuation purposes. The foreign exchange rate used for this purpose shall be the bid exchange rate quoted by Bloomberg or Reuters at UK time 4:00 p.m. at the same day (Malaysia time 11:00 p.m. or 12:00 a.m.), or such other time as we may determine or as per the Investment Management Standards issued by the FIMM. The NAV per unit of each Class will be the NAV of the Fund attributable to each Class divided by the number of units in circulation of that Class, at the same valuation point.

Multi-class Ratio (MCR)

MCR is the apportionment of the NAV of each Class over the Fund's NAV based on the size of each Class. The MCR is calculated by dividing the NAV (in SGD) 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 (SGD) | Class ABC (Denominated in SGD) (SGD) | Class XYZ (Denominated in MYR) (SGD) |
|---|----------------------------|--|--|
| NAV of the Fund before income and expenses | 185,942,897 | 173,342,897 | 12,600,000 |
| % MCR | 100% | ⁽¹⁾ 93.22% | ⁽¹⁾ 6.78% |
| Add: Income | 30,000 | ⁽²⁾ 27,966 | ⁽²⁾ 2,034 |
| Less: Expenses | (10,000) | ⁽²⁾ (9,322) | ⁽²⁾ (678) |
| Benefits or costs of hedging (if any) | | - | 900 |
| NAV of the Fund before Management Fee and Trustee Fee | 185,963,797 | 173,361,541 | 12,602,256 |
| Less: Management Fee | - (9,170) | 1.80% p.a. (8,549) | 1.80% p.a. (621) |
| Less: Trustee Fee | 0.04% p.a. (204) | - (190) | - (14) |
| NAV of the Fund | 185,954,423 | 173,352,802 | 12,601,621 |
| Units in circulation | 205,000,000 units | 170,000,000 units | 35,000,000 units |
| NAV per unit | | 1.0197 | 0.3600 |
| Currency exchange rate | | N/A | (MYR/USD) 4.00 |
| NAV per unit | | SGD 1.0197 | MYR 1.4400 |

| | Fund (SGD) | Class ABC (Denominated in SGD) (SGD) | Class XYZ (Denominated in MYR) (SGD) |
|--|----------------------|--|--|
| NAV of the Fund before creation of units for the day | 185,954,423 | 173,352,802 | 12,601,621 |
| ⁽³⁾ Creation of units | 1,250,000 | 1,000,000 | 250,000 |
| Closing NAV | 187,204,423 | 174,352,802 | 12,851,621 |
| Units in circulation | 206,675,125.03 units | 170,980,680.59 units | 35,694,444.44 units |
| NAV per unit | | 1.0197 | 0.3600 |
| Currency exchange rate | | N/A | (MYR/USD) 4.00 |
| NAV per unit | | SGD 1.0197 | MYR 1.4400 |

⁽¹⁾ MCR computation

| | Class ABC (Denominated in SGD) (SGD) | Class XYZ (Denominated in MYR) (SGD) |
|--|--|--|
| NAV of the Class x 100 | <u>173,342,897 x 100</u> | <u>12,600,000 x 100</u> |
| NAV of the Fund before income and expenses | 185,942,897 | 185,942,897 |
| | = 93.22% | = 6.78% |

⁽²⁾Apportionment based on MCR is as follows:

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

⁽³⁾ Creation of units

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

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

4.3. INCORRECT PRICING

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

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

Notwithstanding the above, unless the Trustee otherwise directs, we shall make the reimbursement 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 SGD10.00 (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 SGD investors are required to have a SGD 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 SGD investors are required to have a SGD bank account).

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

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")

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 SGD will be paid in SGD) within ten (10) 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. ten (10) Business Days) may be extended/delayed if:

- (i) There is suspension of dealings at the Target Fund ^{Note 1};
- (ii) The redemption request of the Target Fund is deferred ^{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 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 ten (10) Business Days. However, we will pay the withdrawal proceeds to you within ten (10) Business Days subsequent to the receipt of redemption proceeds from the Target Fund Manager.

Note 1: *The dealings of the Target Fund may be suspended under the circumstances as described under “Suspension of Dealings” section on page 36.*

Note 2: *The Target Fund Manager may limit the number of units redeemed on a dealing day to 10% of the NAV of the Target Fund as described under “Deferral of Redemption” section on page 37.*

Note 3: *We may temporarily suspend the dealing in units of the Classes or Funds, subject to the GLOLA and/or the Deed as described under “Temporary Suspension” section on page 47.*

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

You 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.

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 or further information.

4.11. TEMPORARY SUSPENSION

We may temporarily suspend the dealing in units of the Classes or Funds, 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”), as may be amended from time to time, will be surrendered to the Registrar of Unclaimed Moneys by us in accordance with the requirements of the UMA. Thereafter, all claims need to be made by you with the Registrar of Unclaimed Moneys.

However, 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

30 June.

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.

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 the respective Distributor.

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;
- Information Memorandum and supplementary or replacement information memorandum, if any;
- The latest annual and interim reports of the Fund;
- Material contracts or documents disclosed in this Information Memorandum;
- The audited financial statements of the Manager and the Fund (where applicable) for the current financial year and for the last three (3) financial years or if less than three (3) years, from the date of incorporation or commencement; and
- The Fullerton Fund Prospectus dated 4 December 2019 including any supplemental prospectus or replacement prospectus, as the case may be.

5.6. POTENTIAL CONFLICTS OF INTERESTS AND RELATED-PARTY TRANSACTIONS

We (including our directors) will at all 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 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 * |

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

The Fund may maintain 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;
- (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 its 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 Asset Management Berhad a variety of solutions to help people and companies build, protect and advance their financial well-being with our unit trust, retirement, discretionary mandates, and asset management expertise. We are driven to help clients of all income and portfolio sizes make progress towards a more secure financial future. It originally commenced its operations as a unit trust company in November 1995. As at LPD, Principal Malaysia has more than 24 years of experience in the unit trust industry.

Established in 2004, we are a joint venture between Principal Financial Group, Inc. (“Principal”), a FORTUNE 500 and Nasdaq-listed global financial services company, and CIMB Group Holdings Berhad, (“CIMB”) one of Southeast Asia’s leading universal banking groups. We are headquartered in Malaysia and have a presence across Southeast Asia. Throughout the region we manage RM88.1 billion in assets under management for over 1 million customers (as of December 2019).

Our primary shareholder, Principal was established in 1879 as an insurance company and has grown to become a global investment manager leader with over 33 million customers around the world. As of December 2019, Principal manages USD \$735 billion in assets under management.

CIMB Group is a leading ASEAN universal bank and one of the region’s foremost corporate advisors. It is also a world leader in Islamic finance. The Group is headquartered in Kuala Lumpur, Malaysia, and offers consumer banking, commercial banking, investment banking, Islamic banking and asset management products and services. It is the fifth largest banking group by assets in ASEAN and, at the end of December 2019, had around 35,000 staff and over 15 million customers.

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

- maintaining a register of Unit holders;
- implementing the appropriate investment strategies to achieve the Funds’ investment objectives;
- ensuring that the Funds 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 Funds.

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 <http://www.principal.com.my>.

7. THE TRUSTEE

7.1. ABOUT DEUTSCHE TRUSTEES MALAYSIA BERHAD

Deutsche Trustees Malaysia Berhad (“DTMB”) (Company No. 200701005591 (763590-H)) was incorporated in Malaysia on 22 February 2007 and commenced business in May 2007. The Company is registered as a trust company under the Trust Companies Act 1949, with its business address at Level 20, Menara IMC, 8 Jalan Sultan Ismail, 50250 Kuala Lumpur.

DTMB is a member of Deutsche Bank Group (“Deutsche Bank”). Deutsche Bank provides commercial and investment banking, retail banking, transaction banking and asset and wealth management products and services to corporations, governments, institutional investors, small and medium-sized businesses, and private individuals.

Experience in trustee business

DTMB is part of Deutsche Bank’s Securities Services, which provides trust, custody and related services on a range of securities and financial structures. As at LPD, DTMB is the trustee for one hundred and eighty two (182) collective investment schemes including unit trust funds, wholesale funds, exchange-traded funds and private retirement schemes.

DTMB’s trustee services are supported by Deutsche Bank (Malaysia) Berhad (“DBMB”), a subsidiary of Deutsche Bank Group, financially and for various functions, including but not limited to financial control and internal audit.

Roles, duties and responsibilities of the Trustee

DTMB’s main functions are to act as trustee and custodian of the assets of the Funds and to safeguard the interests of Members of the Funds. In performing these functions, the Trustee has to exercise due care and vigilance and is required to act in accordance with the relevant provisions of the Deed, the Capital Markets & Services Act 2007 and all relevant laws.

Trustee’s Disclosure of Material Litigation

As at LPD, neither the Trustee nor its delegate is (a) engaged in any material litigation and arbitration, including those pending or threatened, nor (b) 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 delegate.

DTMB’s delegate

The Trustee has appointed DBMB as the custodian of the assets of the Fund. DBMB is a wholly-owned subsidiary of Deutsche Bank AG. DBMB offers its clients access to a growing domestic custody network that covers over 30 markets globally and a unique combination of local expertise backed by the resources of a global bank. In its capacity as the appointed custodian, DBMB’s roles encompass safekeeping of assets of the Funds; trade settlement management; corporate actions notification and processing; securities holding and cash flow reporting; and income collection and processing.

All investments are automatically registered in the name of, or to the order, of the Funds. DBMB shall act only in accordance with instructions from the Trustee.

Disclosure on related-party transactions/conflict of interests

As the Trustee for the Funds and the Manager’s delegate for the fund accounting and valuation services, there may be related party transactions involving or in connection with the Funds in the following events:

- (1) Where the Funds invest in the products offered by Deutsche Bank AG and any of its group companies (e.g. money market placement, etc.);
- (2) Where the Funds have obtained financing from Deutsche Bank AG and any of its group companies, as permitted under the Securities Commission’s guidelines and other applicable laws; and
- (3) Where the Manager appoints the Trustee to perform its back office functions (e.g fund accounting and valuation); and
- (4) Where the Trustee has delegated its custodian functions for the Funds to DBMB.

DTMB will rely on the Manager to ensure that any related party transactions, dealings, investments and appointments are on terms which are the best that are reasonably available for or to the Funds and are on an arm’s length basis as if between independent parties.

While DTMB has internal policies intended to prevent or manage conflicts of interests, no assurance is given that their application will necessarily prevent or mitigate conflicts of interests. DTMB’s commitment to act in the best interests of the Members of the Funds does not preclude the possibility of related party transactions or conflicts.

ANNEXURE – CLASS SGD

This section is only a summary of the salient information about Class SGD. 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

| | PH-I | PH-B | PH-G | Page |
|-----------------------|--|------|------|------|
| Currency denomination | SGD | | | |
| Distribution policy | Monthly, depending on the availability of realised income and/or realised gains and at our discretion. | | | 47 |

FEES & CHARGES

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

| Charges | PH-I | PH-B | PH-G | Page |
|--|--|------|------|------|
| Application Fee | Up to 5.00% of the NAV per unit. | | | 39 |
| 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. | | | 39 |
| 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. | | | 39 |
| Transfer Fee | A maximum of SGD15 may be charged for each transfer. | | | 39 |
| 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 | PH-I | PH-B | PH-G | Page |
|---|--|-------------|-------------|------|
| Management Fee | Up to 1.10% | Up to 1.25% | Up to 1.40% | 40 |
| | per annum of the NAV of the Class. | | | |
| 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). | | | 40 |
| 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. | | | 41 |
| 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. | | | 40 |

Note: Despite the maximum Application Fee disclosed above, you may negotiate with us or the Distributors for lower charges. However, you should note that we or the Distributors may, for any reason at any time, where applicable, accept or reject your request and without having to assign any reason, either generally (for all Sophisticated Investors) or specifically (for any particular Sophisticated Investor, a group of Sophisticated Investors or investments made via any digital platform) without prior notice to you.

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

All fees and charges payable by 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 and charges from time to time, subject to the requirements stipulated in the Deed. Where necessary, we will notify the Trustee and communicate to you on the amendments to the fees and charges.

TRANSACTION INFORMATION

| | PH-I | PH-B | PH-G | Page |
|--------------------------------------|--|------|------|------|
| Minimum initial investment | SGD 500 or such other amount as we may decide from time to time. | | | 45 |
| Minimum additional investment | SGD 100 or such other amount as we may decide from time to time. | | | 45 |
| Minimum withdrawal | 100 units or such other number of units as we may decide from time to time. | | | 45 |
| Minimum balance | 500 units or such other number of units as we may decide from time to time. | | | 46 |
| Regular Savings Plan | Currently, RSP is not available for this Class. | | | 45 |
| 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> | | | 46 |
| Transfer facility | We may, at our absolute discretion, allow/refuse Unit holders to transfer their units to another eligible Sophisticated Investors subject to such terms and conditions as may be stipulated by us from time to time. | | | 47 |
| Cooling-off period | Six (6) Business Days from your initial investment (i.e. from the date the application form is received and accepted by us or our Distributors) for first-time investor. 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. | | | 46 |

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

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

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

ANNEXURE – CLASS MYR - HEDGED

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

CLASS INFORMATION

| | PH-I | PH-B | PH-G | Page |
|------------------------------|--|------|------|------|
| Currency denomination | | MYR | | |
| Distribution policy | Monthly, depending on the availability of realised income and/or realised gains and at our discretion. | | | 47 |

FEES & CHARGES

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

| Charges | PH-I | PH-B | PH-G | Page |
|---|---|------|------|------|
| Application Fee | Up to 5.00% of the NAV per unit. | | | 39 |
| 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. | | | 39 |
| 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. | | | 39 |
| Transfer Fee | A maximum of MYR50 may be charged for each transfer. | | | 39 |
| 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 | PH-I | PH-B | PH-G | Page |
|--|---|-------------|-------------|------|
| Management Fee | Up to 1.10% | Up to 1.25% | Up to 1.40% | 40 |
| | per annum of the NAV of the Class. | | | |
| 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). | | | 40 |
| 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. | | | 41 |
| 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, Unit holders are indirectly bearing the dilution adjustment, depositary fees and transaction fees charged at the Target Fund level. | | | 40 |

Note: Despite the maximum Application Fee disclosed above, you may negotiate with us or the Distributors for lower charges. However, you should note that we or the Distributors may, for any reason at any time, where applicable, accept or reject your request and without having to assign any reason, either generally (for all Sophisticated Investors) or specifically (for any particular Sophisticated Investor, a group of Sophisticated Investors or investments made via any digital platform) without prior notice to you.

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

All fees and charges payable by 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 and charges from time to time, subject to the requirements stipulated in the Deed. Where necessary, we will notify the Trustee and communicate to you on the amendments to the fees and charges.

TRANSACTION INFORMATION

| | PH-I | PH-B | PH-G | Page |
|--------------------------------------|--|------|------|------|
| Minimum initial investment | MYR 500 or such other amount as we may decide from time to time. | | | 45 |
| Minimum additional investment | MYR 100 or such other amount as we may decide from time to time. | | | 45 |
| Minimum withdrawal | 100 units or such other number of units as we may decide from time to time. | | | 45 |
| Minimum balance | 500 units or such other number of units as we may decide from time to time. | | | 46 |
| Regular Savings Plan | RSP is available. It allows you to make regular monthly investments of RM 100 or more, direct from your account held with a bank approved by us or our Distributors. The minimum initial investment for the RSP is RM 500 or such other amount as we may decide from time to time. | | | 45 |
| 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). You may negotiate to lower the amount for your switch with us or our Distributors. | | | 46 |
| Transfer facility | We may, at our absolute discretion, allow/refuse Unit holders to transfer their units to another eligible Sophisticated Investors subject to such terms and conditions as may be stipulated by us from time to time. | | | 47 |
| Cooling-off period | Six (6) Business Days from your initial investment (i.e. from the date the application form is received and accepted by us or our Distributors) for first-time investor. 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. | | | 46 |

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

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

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

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