

Information Memorandum

15 May 2019

Principal World Selection Series

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

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

This Information Memorandum is dated 15 May 2019 and incorporates the following Funds:

- Principal World Selection Conservative Fund
- Principal World Selection Moderate Conservative Fund
- Principal World Selection Moderate Fund
- Principal World Selection Moderate Aggressive Fund
- Principal World Selection Aggressive Fund

The Funds are constituted on 9 May 2019.

DISCLAIMER: PLEASE READ THE INFORMATION MEMORANDUM AND OBTAIN PROFESSIONAL ADVICE BEFORE SUBSCRIBING TO THE FUND.

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 World Selection 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notices, legislations or statutes for the time being in force, as may be amended, varied, modified, updated, superseded and/or re-enacted from time to time.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 USD, please note that all references to currency amounts and NAV per unit in the Information Memorandum are in USD unless otherwise indicated.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IF YOU ARE UNABLE TO MAKE YOUR OWN EVALUATION, YOU ARE ADVISED TO CONSULT PROFESSIONAL ADVISERS.

DEFINITIONS

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

AUD	- Australian Dollar.										
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 Fund, it means a day on which the stock exchange in Luxembourg is open for business. Note: We may declare certain Business Days to be a non-Business Day if the jurisdiction of the Target Fund declares a non-business day and/or if the Target Fund's manager declares a non-dealing day. This information will be communicated to the Unit holders via Principal Malaysia's website at http://www.principal.com.my .										
CIMB Group	- CIMB Group Sdn. Bhd.										
CIS	- Means collective investment schemes.										
Class	- Any Class of units representing similar interests in the assets of the Fund. Note: For more information, please see page 11 and Annexure of the respective Class.										
Class AUD-Hedged	- The Class of units issued by the Funds denominated in AUD that aims to minimize the effect of exchange rate fluctuations between the base currency of the Funds (i.e. USD) and AUD.										
Class GBP-Hedged	- The Class of units issued by the Funds denominated in GBP that aims to minimize the effect of exchange rate fluctuations between the base currency of the Funds (i.e. USD) and GBP.										
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. USD) and MYR.										
Class SGD-Hedged	- The Class of units issued by the Funds denominated in SGD that aims to minimize the effect of exchange rate fluctuations between the base currency of the Funds (i.e. USD) and SGD.										
Class USD	- The Class of units issued by the Funds denominated in USD.										
CMSA	- Capital Markets and Services Act 2007.										
Company	- HSBC Portfolios; an investment company (<i>Société d'Investissement à Capital Variable</i>) incorporated in the Grand Duchy of Luxembourg and qualifies as an Undertaking for Collective Investment in Transferable Securities ("UCITS") complying with the provisions of Part I of the 2010 Law.										
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. Note: To exclude structured deposits.										
Distributors	- Any relevant persons and bodies appointed by Principal Malaysia from time to time, who are responsible for selling units of the Fund, including Principal Distributors and IUTAs.										
FIMM	- Federation of Investment Managers Malaysia.										
Fund(s)	- Refers to each of the Funds under the Principal World Selection Series, namely: <table border="0"> <tr> <td>▪ Principal World Selection Conservative Fund</td><td>PWS-CF</td></tr> <tr> <td>▪ Principal World Selection Moderate Conservative Fund</td><td>PWS-MCF</td></tr> <tr> <td>▪ Principal World Selection Moderate Fund</td><td>PWS-MF</td></tr> <tr> <td>▪ Principal World Selection Moderate Aggressive Fund</td><td>PWS-MAF</td></tr> <tr> <td>▪ Principal World Selection Aggressive Fund</td><td>PWS-AF</td></tr> </table>	▪ Principal World Selection Conservative Fund	PWS-CF	▪ Principal World Selection Moderate Conservative Fund	PWS-MCF	▪ Principal World Selection Moderate Fund	PWS-MF	▪ Principal World Selection Moderate Aggressive Fund	PWS-MAF	▪ Principal World Selection Aggressive Fund	PWS-AF
▪ Principal World Selection Conservative Fund	PWS-CF										
▪ Principal World Selection Moderate Conservative Fund	PWS-MCF										
▪ Principal World Selection Moderate Fund	PWS-MF										
▪ Principal World Selection Moderate Aggressive Fund	PWS-MAF										
▪ Principal World Selection Aggressive Fund	PWS-AF										
GBP	- Great Britain Pound.										
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 Scheme Advisers.										
Investment Adviser	- HSBC Global Asset Management (UK) Limited.										
LPD	- Latest Practicable Date, i.e. 30 April 2019, in which all information provided herein, shall remain current and relevant as at such a date.										
Management Company	- HSBC Investment Funds (Luxembourg) S.A.										
Management Fee	- A percentage of the NAV of the Class that is paid to us for managing the portfolio of the Fund.										
MCR	- Multi-class ratio, being the apportionment of the NAV of each Class over the Fund's NAV based on the size of each Class. The MCR is calculated by dividing the NAV of the respective Class by the NAV of the Fund before income and expenses for the day. The apportionment is expressed as a ratio and calculated as a percentage.										
NAV	- Net Asset Value.										
NAV of the Fund	- The NAV of the Fund is the value of all the Fund's assets less the value of all the Fund's liabilities, at the point of valuation. For the purpose of computing the annual Management										

	Fee and annual Trustee Fee, the NAV of the Fund should be inclusive of the Management Fee and Trustee Fee for the relevant day. The NAV of a Class is the NAV of the Fund attributable to a Class at the same valuation point.
NAV per unit	- The NAV 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 Distributors	- Refers to the unit trust scheme consultants of Principal Malaysia (authorized Principal Malaysia distributors).
Principal Malaysia or the Manager	- Principal Asset Management Berhad (<i>formerly known as CIMB-Principal Asset Management Berhad</i>).
Prospectus	- Refers to the prospectus in respect of the Company and includes any supplemental prospectus, addendum or replacement prospectus, as the case may be. The Prospectus may be obtained free of charge, in English, from the registrar and transfer agent of the Target Funds by emailing amgtransferagency@lu.hsbc.com .
RM or MYR	- Malaysian Ringgit.
SC	- Securities Commission Malaysia.
SC Guidelines	- SC Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.
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"> ▪ HSBC Portfolios – World Selection 1 HSBC-WS1 ▪ HSBC Portfolios – World Selection 2 HSBC-WS2 ▪ HSBC Portfolios – World Selection 3 HSBC-WS3 ▪ HSBC Portfolios – World Selection 4 HSBC-WS4 ▪ HSBC Portfolios – World Selection 5 HSBC-WS5
Transfer Fee	- A nominal fee levied for each transfer of units from one Unit holder to another.
Trustee	- HSBC (Malaysia) Trustee Berhad.
Trustee Fee	- A percentage of the NAV of the Fund that is paid to the Trustee for its services rendered as trustee for the Fund.
UCITS	- An undertaking for collective investment in transferable securities and other eligible assets authorised pursuant to Directive 2009/65/EC, as amended.
UK	- United Kingdom.
Unit holder	- The registered holder for the time being of a unit of any Class including persons jointly registered.
US or 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 WORLD SELECTION CONSERVATIVE FUND

Fund Category/Type	:	Feeder fund/ Income & Growth
Investment Objective	:	The Fund aims to provide long term total returns through investments in one collective investment scheme, which is managed with low risk strategy by investing primarily in bonds and shares, either directly or through investing into other funds. <i>We will require your approval if there is any material change to the Fund's investment objective.</i>
Benchmark	:	The Fund is benchmark unconstrained as HSBC-WS1 is benchmark unconstrained, i.e. it will be actively managed without reference to any specific 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 42 for information on the distribution payment.
Base Currency	:	USD
Classes	:	Please refer to the Annexure of the respective Class for more information. You may also refer to page 11 for information on classes available for sales.

Investment Policy and Principal Investment Strategy

The Fund is a feeder fund and it invests in a single collective investment scheme, i.e. HSBC Portfolios – World Selection 1 (“HSBC-WS1”). 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 HSBC-WS1; a portfolio established on 20 October 2009 under the HSBC Portfolios (“Company”). The Fund will also maintain up to 5% of its NAV in liquid assets for liquidity purposes.

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 HSBC-WS1, 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 HSBC-WS1 in either bullish or bearish market conditions. However, the Target Fund Investment Adviser may take temporary defensive position when deemed necessary.

We do not employ risk management strategy on the portfolio of HSBC-WS1. However, the Management Company and/or the Target Fund Investment Adviser will employ a risk management process in respect of HSBC-WS1 that enables the Management Company to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of HSBC-WS1.

We will employ risk management strategy at the Fund level, where we will continuously monitor the investment objective, performance and suitability of HSBC-WS1 to ensure that it is in line with the investment objective of the Fund. If we are of the opinion that HSBC-WS1 no longer meets the Fund's investment objective, we may, with your approval, replace HSBC-WS1 with another CIS that is in line with the Fund's objective. In such circumstances, we will withdraw our investment in HSBC-WS1 and invest in another CIS on a staggered basis for a smooth transition, if HSBC-WS1 imposes any conditions in relation to redemption of units or if the manager of the newly identified target fund exercises its discretion to apply anti dilution levy* in relation to the applications for units. Thus, the time frame required to perform the transition will depend on such conditions, if any, imposed by HSBC-WS1 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 AM USD of HSBC-WS1. The Fund may change its entire investment into another class of HSBC-WS1 (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 20 under the “HSBC PORTFOLIOS – WORLD SELECTION 1 (“HSBC-WS1”)” for more information.

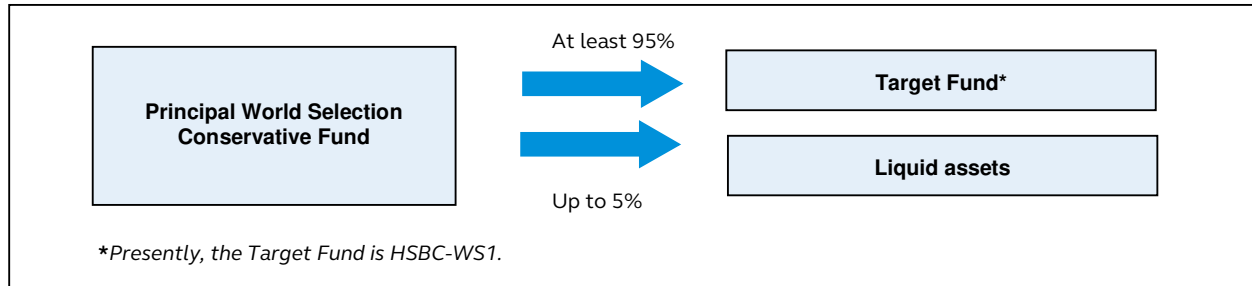
Note:

* 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 HSBC-WS1 or newly identified target fund.

Information on the Target Fund

Target Fund	:	HSBC Portfolios – World Selection 1 (“HSBC-WS1”)
Share class	:	AM USD
Company	:	HSBC Portfolios

Management Company	:	HSBC Investment Funds (Luxembourg) S.A.
Investment Adviser	:	HSBC Global Asset Management (UK) Limited
Regulatory authority	:	Commission de Surveillance du Secteur Financier



Asset Allocation

- At least 95% of the Fund's NAV will be invested in HSBC-WS1; and
- Up to 5% of the Fund's NAV will be invested in liquid assets for liquidity purposes.

1.1.2. PRINCIPAL WORLD SELECTION MODERATE CONSERVATIVE FUND

Fund Category/Type	: Feeder fund/ Income & Growth
Investment Objective	: The Fund aims to provide long term total returns through investments in one collective investment scheme, which is managed with low to medium risk strategy by investing primarily in bonds and shares, either directly or through investing into other funds. <i>We will require your approval if there is any material change to the Fund's investment objective.</i>
Benchmark	: The Fund is benchmark unconstrained as HSBC-WS2 is benchmark unconstrained, i.e. it will be actively managed without reference to any specific 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 42 for information on the distribution payment.
Base Currency	: USD
Classes	: Please refer to page 11 for information on classes available for sale. You may also refer to the Annexure of the respective Class for more information.

Investment Policy and Principal Investment Strategy

The Fund is a feeder fund and it invests in a single collective investment scheme, i.e. HSBC Portfolios – World Selection 2 (“HSBC-WS2”). 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 HSBC-WS2; a portfolio established on 20 October 2009 under the HSBC Portfolios (“Company”). The Fund will also maintain up to 5% of its NAV in liquid assets for liquidity purposes.

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 HSBC-WS2, 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 HSBC-WS2 in either bullish or bearish market conditions. However, the Target Fund Investment Adviser may take temporary defensive position when deemed necessary.

We do not employ risk management strategy on the portfolio of HSBC-WS2. However, the Management Company and/or the Target Fund Investment Adviser will employ a risk management process in respect of HSBC-WS2 that enables the Management Company to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of HSBC-WS2.

We will employ risk management strategy at the Fund level, where we will continuously monitor the investment objective, performance and suitability of HSBC-WS2 to ensure that it is in line with the investment objective of the Fund. If we are of the opinion that HSBC-WS2 no longer meets the Fund's investment objective, we may, with your approval, replace HSBC-WS2 with another CIS that is in line with the Fund's objective. In such circumstances, we will withdraw our investment in HSBC-WS2 and invest in another CIS on a staggered basis for a smooth transition, if HSBC-WS2 imposes any conditions in relation to redemption of units or if the manager of the newly identified target fund exercises its discretion to apply anti dilution levy* in relation to the applications for units. Thus, the time frame required to perform the transition will depend on such conditions, if any, imposed by HSBC-WS2 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.

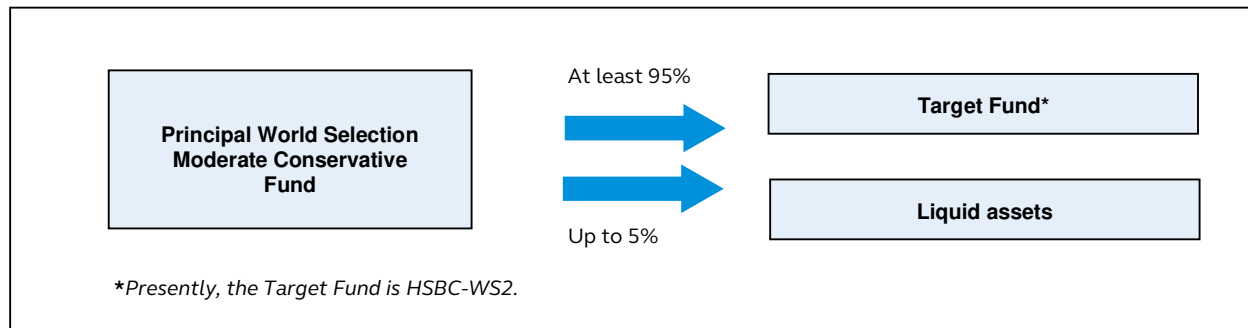
Currently, the Fund invests in Class AM USD of HSBC-WS2. The Fund may change its entire investment into another class of HSBC-WS2 (which must be denominated in the same currency) if we are of the opinion that the change is in the interest of the Unit holders. If we wish to effect such change, we will seek concurrence from the Trustee and you will be notified before implementation. Please refer to page 21 under the “HSBC PORTFOLIOS – WORLD SELECTION 2 (“HSBC-WS2”)” 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 HSBC-WS2 or newly identified target fund.

Information on the Target Fund

Target Fund	:	HSBC Portfolios – World Selection 2 (“HSBC-WS2”)
Share class	:	AM USD
Company	:	HSBC Portfolios
Management Company	:	HSBC Investment Funds (Luxembourg) S.A.
Investment Adviser	:	HSBC Global Asset Management (UK) Limited
Regulatory authority	:	Commission de Surveillance du Secteur Financier



Asset Allocation

- At least 95% of the Fund's NAV will be invested in HSBC-WS2; and
- Up to 5% of the Fund's NAV will be invested in liquid assets for liquidity purposes.

1.1.3. PRINCIPAL WORLD SELECTION MODERATE FUND

Fund Category/Type	: Feeder fund/ Income & Growth
Investment Objective	: The Fund aims to provide long term total returns through investments in one collective investment scheme, which is managed with medium risk strategy by investing primarily in bonds and shares, either directly or through investing into other funds. <i>We will require your approval if there is any material change to the Fund's investment objective.</i>
Benchmark	: The Fund is benchmark unconstrained as HSBC-WS3 is benchmark unconstrained, i.e. it will be actively managed without reference to any specific 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 42 for information on the distribution payment.
Base Currency	: USD
Classes	: Please refer to page 11 for information on classes available for sale. You may also refer to the Annexure of the respective Class for more information.

Investment Policy and Principal Investment Strategy

The Fund is a feeder fund and it invests in a single collective investment scheme, i.e. HSBC Portfolios – World Selection 3 (“HSBC-WS3”). 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 HSBC-WS3; a portfolio established on 20 October 2009 under the HSBC Portfolios (“Company”). The Fund will also maintain up to 5% of its NAV in liquid assets for liquidity purposes.

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 HSBC-WS3, 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 HSBC-WS3 in either bullish or bearish market conditions. However, the Target Fund Investment Adviser may take temporary defensive position when deemed necessary.

We do not employ risk management strategy on the portfolio of HSBC-WS3. However, the Management Company and/or the Target Fund Investment Adviser will employ a risk management process in respect of HSBC-WS3 that enables the Management Company to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of HSBC-WS3.

We will employ risk management strategy at the Fund level, where we will continuously monitor the investment objective, performance and suitability of HSBC-WS3 to ensure that it is in line with the investment objective of the Fund. If we are of the opinion that HSBC-WS3 no longer meets the Fund's investment objective, we may, with your approval, replace HSBC-WS3 with another CIS that is in line with the Fund's objective. In such circumstances, we will withdraw our investment in HSBC-WS3 and invest in another CIS on a staggered basis for a smooth transition, if HSBC-WS3 imposes any conditions in relation to redemption of units or if the manager of the newly identified target fund exercises its discretion to apply anti dilution levy* in relation to the applications for units. Thus, the time frame required to perform the transition will depend on such conditions, if any, imposed by HSBC-WS3 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.

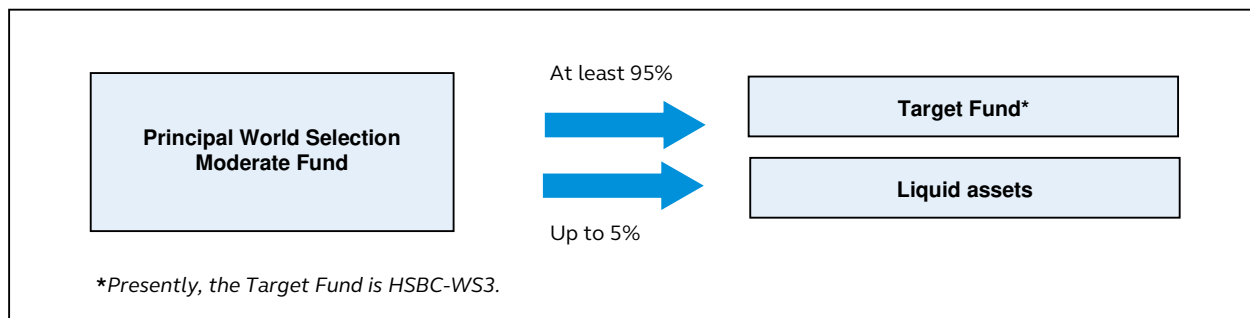
Currently, the Fund invests in Class AM USD of HSBC-WS3. The Fund may change its entire investment into another class of HSBC-WS3 (which must be denominated in the same currency) if we are of the opinion that the change is in the interest of the Unit holders. If we wish to effect such change, we will seek concurrence from the Trustee and you will be notified before implementation. Please refer to page 22 under the “HSBC PORTFOLIOS – WORLD SELECTION 3 (“HSBC-WS3”)” 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 HSBC-WS3 or newly identified target fund.

Information on the Target Fund

Target Fund	:	HSBC Portfolios – World Selection 3 (“HSBC-WS3”)
Share class	:	AM USD
Company	:	HSBC Portfolios
Management Company	:	HSBC Investment Funds (Luxembourg) S.A.
Investment Adviser	:	HSBC Global Asset Management (UK) Limited
Regulatory authority	:	Commission de Surveillance du Secteur Financier



Asset Allocation

- At least 95% of the Fund's NAV will be invested in HSBC-WS3; and
- Up to 5% of the Fund's NAV will be invested in liquid assets for liquidity purposes.

1.1.4. PRINCIPAL WORLD SELECTION MODERATE AGGRESSIVE FUND

Fund Category/Type	: Feeder fund/ Income & Growth
Investment Objective	: The Fund aims to provide long term total returns through investments in one collective investment scheme, which is managed with medium to high risk strategy by investing primarily in bonds and shares, either directly or through investing into other funds. <i>We will require your approval if there is any material change to the Fund's investment objective.</i>
Benchmark	: The Fund is benchmark unconstrained as the HSBC-WS4 is benchmark unconstrained, i.e. it will be actively managed without reference to any specific 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 42 for information on the distribution payment.
Base Currency	: USD
Classes	: Please refer to page 11 for information on classes available for sale. You may also refer to the Annexure of the respective Class for more information.

Investment Policy and Principal Investment Strategy

The Fund is a feeder fund and it invests in a single collective investment scheme, i.e. HSBC Portfolios – World Selection 4 (“HSBC-WS4”). 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 HSBC-WS4; a portfolio established on 20 October 2009 under the HSBC Portfolios (“Company”). The Fund will also maintain up to 5% of its NAV in liquid assets for liquidity purposes.

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 HSBC-WS4, 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 HSBC-WS4 in either bullish or bearish market conditions. However, the Target Fund Investment Adviser may take temporary defensive position when deemed necessary.

We do not employ risk management strategy on the portfolio of HSBC-WS4. However, the Management Company and/or the Target Fund Investment Adviser will employ a risk management process in respect of HSBC-WS4 that enables the Management Company to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of HSBC-WS4.

We will employ risk management strategy at the Fund level, where we will continuously monitor the investment objective, performance and suitability of HSBC-WS4 to ensure that it is in line with the investment objective of the Fund. If we are of the opinion that HSBC-WS4 no longer meets the Fund's investment objective, we may, with your approval, replace HSBC-WS4 with another CIS that is in line with the Fund's objective. In such circumstances, we will withdraw our investment in HSBC-WS4 and invest in another CIS on a staggered basis for a smooth transition, if HSBC-WS4 imposes any conditions in relation to redemption of units or if the manager of the newly identified target fund exercises its discretion to apply anti dilution levy* in relation to the applications for units. Thus, the time frame required to perform the transition will depend on such conditions, if any, imposed by HSBC-WS4 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.

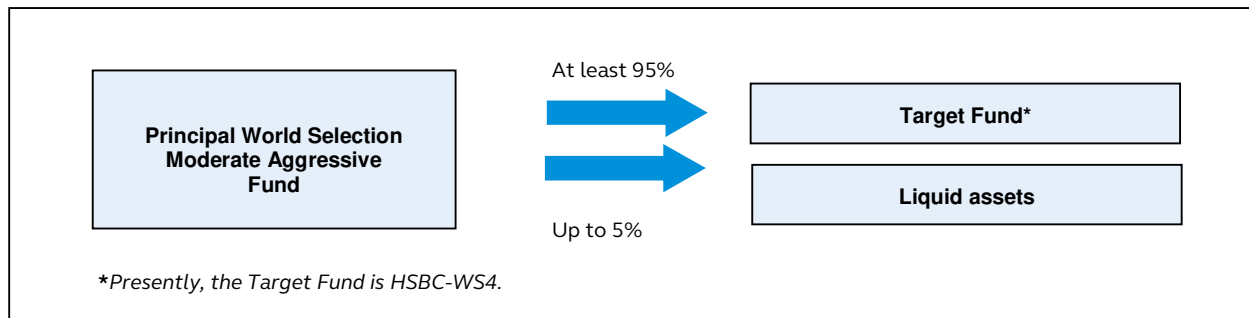
Currently, the Fund invests in Class AM USD of HSBC-WS4. The Fund may change its entire investment into another class of HSBC-WS4 (which must be denominated in the same currency) if we are of the opinion that the change is in the interest of the Unit holders. If we wish to effect such change, we will seek concurrence from the Trustee and you will be notified before implementation. Please refer to page 23 under the “HSBC PORTFOLIOS – WORLD SELECTION 4 (“HSBC-WS4”)” 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 HSBC-WS4 or newly identified target fund.

Information on the Target Fund

Target Fund	: HSBC Portfolios – World Selection 4 (“HSBC-WS4”)
Share class	: AM USD
Company	: HSBC Portfolios
Management Company	: HSBC Investment Funds (Luxembourg) S.A.
Investment Adviser	: HSBC Global Asset Management (UK) Limited
Regulatory authority	: Commission de Surveillance du Secteur Financier



Asset Allocation

- At least 95% of the Fund's NAV will be invested in HSBC-WS4; and
- Up to 5% of the Fund's NAV will be invested in liquid assets for liquidity purposes.

1.1.5. PRINCIPAL WORLD SELECTION AGGRESSIVE FUND

Fund Category/Type	: Feeder fund/ Income & Growth
Investment Objective	: The Fund aims to provide long term total returns through investments in one collective investment scheme, which is managed with high risk strategy by investing primarily in bonds and shares, either directly or through investing into other funds. <i>We will require your approval if there is any material change to the Fund's investment objective.</i>
Benchmark	: The Fund is benchmark unconstrained as HSBC-WS5 is benchmark unconstrained, i.e. it will be actively managed without reference to any specific 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 42 for information on the distribution payment.
Base Currency	: USD
Classes	: Please refer to page 11 for information on classes available for sale. You may also refer to the Annexure of the respective Class for more information.

Investment Policy and Principal Investment Strategy

The Fund is a feeder fund and it invests in a single collective investment scheme, i.e. HSBC Portfolios – World Selection 5 (“HSBC-WS5”). 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 HSBC-WS5; a portfolio established on 20 October 2009 under the HSBC Portfolios (“Company”). The Fund will also maintain up to 5% of its NAV in liquid assets for liquidity purposes.

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 HSBC-WS5, 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 HSBC-WS5 in either bullish or bearish market conditions. However, the Target Fund Investment Adviser may take temporary defensive position when deemed necessary.

We do not employ risk management strategy on the portfolio of HSBC-WS5. However, the Management Company and/or the Target Fund Investment Adviser will employ a risk management process in respect of HSBC-WS5 that enables the Management Company to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of HSBC-WS5.

We will employ risk management strategy at the Fund level, where we will continuously monitor the investment objective, performance and suitability of HSBC-WS5 to ensure that it is in line with the investment objective of the Fund. If we are of the opinion that HSBC-WS5 no longer meets the Fund's investment objective, we may, with your approval, replace HSBC-WS5 with another CIS that is in line with the Fund's objective. In such circumstances, we will withdraw our investment in HSBC-WS5 and invest in another CIS on a staggered basis for a smooth transition, if HSBC-WS5 imposes any conditions in relation to redemption of units or if the manager of the newly identified target fund exercises its discretion to apply anti dilution levy* in relation to the applications for units. Thus, the time frame required to perform the transition will depend on such conditions, if any, imposed by HSBC-WS5 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.

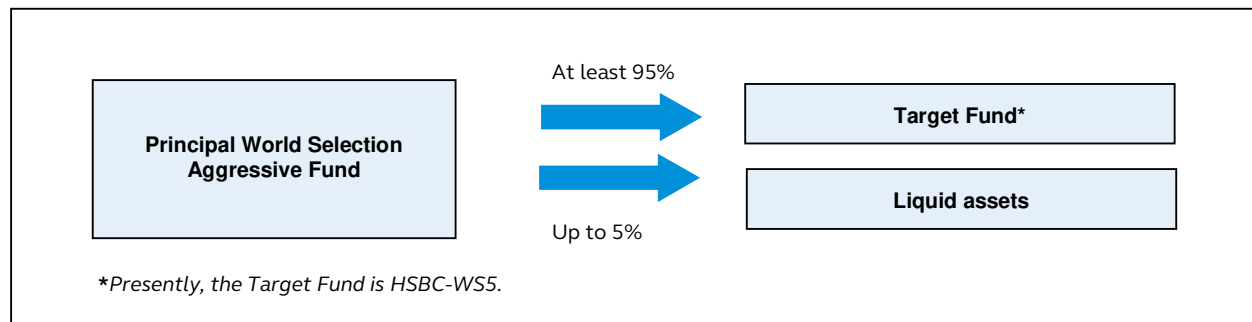
Currently, the Fund invests in Class AM USD of HSBC-WS5. The Fund may change its entire investment into another class of HSBC-WS5 (which must be denominated in the same currency) if we are of the opinion that the change is in the interest of the Unit holders. If we wish to effect such change, we will seek concurrence from the Trustee and you will be notified before implementation. Please refer to page 24 under the “HSBC PORTFOLIOS – WORLD SELECTION 5 (“HSBC-WS5”)” 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 HSBC-WS5 or newly identified target fund.

Information on the Target Fund

Target Fund	:	HSBC Portfolios – World Selection 5 (“HSBC-WS5 “)
Share class	:	AM USD
Company	:	HSBC Portfolios
Management Company	:	HSBC Investment Funds (Luxembourg) S.A.
Investment Adviser	:	HSBC Global Asset Management (UK) Limited
Regulatory authority	:	Commission de Surveillance du Secteur Financier



Asset Allocation

- At least 95% of the Fund's NAV will be invested in HSBC-WS5; 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 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, i.e. the Funds are allowed to establish new Class(es) from time to time without your prior consent. 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, denominated in its respective currency taking into account the aforementioned features. Although each of the Funds have multiple Classes, Unit holders should note that the assets of the Funds are pooled for investment purpose.

Information on the Classes are available in this Information Memorandum and all references to the Classes or Funds in this Information Memorandum will be applicable and/or refers (as the case may be) to the relevant Classes offered for sale, unless otherwise stated. For detailed information of the Classes, please refer to the Annexure of the respective Class. When in doubt, you should consult professional advisers for a better understanding of the multi-class structure before investing in the Funds.

As the Manager, we shall have the sole and absolute right to issue other classes of units to the Funds in the future with different and/or similar features including but not limited to fees, charges, currency and/or distribution policy with that of the units without the need to obtain or seek your approval provided that the issuance of other classes shall not in our opinion prejudice the rights of the Unit holders of the current Classes of 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 World Selection Conservative Fund	Class USD	15 May 2019	Up to 21 days	USD 1.0000
	Class AUD-Hedged	15 May 2019	Up to 21 days	AUD 1.0000
	Class GBP-Hedged	15 May 2019	Up to 21 days	GBP 1.0000
	Class MYR-Hedged	15 May 2019	Up to 21 days	MYR 1.0000
	Class SGD-Hedged	15 May 2019	Up to 21 days	SGD 1.0000
Principal World Selection Moderate Conservative Fund	Class USD	15 May 2019	Up to 21 days	USD 1.0000
	Class AUD-Hedged	15 May 2019	Up to 21 days	AUD 1.0000
	Class GBP-Hedged	15 May 2019	Up to 21 days	GBP 1.0000
	Class MYR-Hedged	15 May 2019	Up to 21 days	MYR 1.0000
	Class SGD-Hedged	15 May 2019	Up to 21 days	SGD 1.0000
Principal World Selection Moderate Fund	Class USD	15 May 2019	Up to 21 days	USD 1.0000
	Class AUD-Hedged	15 May 2019	Up to 21 days	AUD 1.0000
	Class GBP-Hedged	15 May 2019	Up to 21 days	GBP 1.0000
	Class MYR-Hedged	15 May 2019	Up to 21 days	MYR 1.0000
	Class SGD-Hedged	15 May 2019	Up to 21 days	SGD 1.0000
Principal World Selection Moderate Aggressive Fund	Class USD	15 May 2019	Up to 21 days	USD 1.0000
	Class AUD-Hedged	15 May 2019	Up to 21 days	AUD 1.0000
	Class GBP-Hedged	15 May 2019	Up to 21 days	GBP 1.0000
	Class MYR-Hedged	15 May 2019	Up to 21 days	MYR 1.0000
	Class SGD-Hedged	15 May 2019	Up to 21 days	SGD 1.0000
Principal World Selection Aggressive Fund	Class USD	15 May 2019	Up to 21 days	USD 1.0000
	Class AUD-Hedged	15 May 2019	Up to 21 days	AUD 1.0000
	Class GBP-Hedged	15 May 2019	Up to 21 days	GBP 1.0000
	Class MYR-Hedged	15 May 2019	Up to 21 days	MYR 1.0000
	Class SGD-Hedged	15 May 2019	Up to 21 days	SGD 1.0000

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 (local or foreign) provided it is not a fund-of-funds or a feeder fund or any sub-fund of an umbrella fund which is a fund-of-funds or a feeder fund;
- 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:

Collective investment scheme: The Funds must invest 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 SC Guidelines for the Funds.

1.6. BORROWINGS OR FINANCING

The Funds may not obtain cash financing or 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 COLLECTIVE INVESTMENT SCHEME

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 returns, nor any assurance that the fund's investment objective will be achieved.

General market environment 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.

Loan financing risk

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

1.8.2. 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. USD). The impact of the exchange rate movement between the base currency of the Funds 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.

Fund manager's risk

Since the Funds invests into CIS managed by another manager, the Management Company has absolute discretion over the Target Funds' investment technique and knowledge, operational controls and management. In the event of mismanagement of the Target Funds, the NAV of the Funds, which invests into the Target Funds, 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 Funds, subject to your approval.

Country risk

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

1.8.3. SPECIFIC RISKS RELATED TO THE TARGET FUND

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:

Conflicts

There are potential conflicts of interest which may arise between the Company and those persons and entities which are involved as managers of the CIS. Target Fund Managers normally manage assets of other clients that make investments similar to those made on behalf of the Company and such clients could thus compete for the same trades or investments. Whilst available investments or opportunities are generally allocated to each client in a manner believed to be equitable, some of those allocation procedures may adversely affect the price paid or received for investments or the size of positions obtained or disposed of. Conflicts may also arise as a result of other services provided by the affiliates of the HSBC Group which may provide advisory, custodial or other services to other clients and to some of the CIS in which the Company invests.

The Company may also invest in other CIS which are managed by the Management Company or Investment Advisers of the Company. The directors of the Management Company may also be directors of the CIS and the interest of such CIS and of the Company could result in conflicts. Generally, there may be conflicts between the best interests of the Company and the interests of affiliates of the Management Company in connection with the fees, commissions and other revenues derived from the Company or the CIS. In the event that such a conflict arises, the directors of the Management Company will endeavour to ensure that it is resolved in a fair manner.

Cross-Class Liability Risk

Multiple share classes may be issued in relation to a portfolio, with particular assets and liabilities of a portfolio attributable to particular share classes.

For instance, portfolios offering currency hedged share classes will have assets and liabilities related to the hedge which are attributable to the relevant currency hedged share classes.

Given that there is no legal segregation of liabilities between share classes, there may be a remote risk that, under certain circumstances, currency hedging transactions in relation to a currency hedged share class could result in liabilities which might affect the NAV of the other share classes of the same portfolio.

Where the liabilities of a particular class exceed the assets pertaining to that class, creditors pertaining to one share class may have recourse to the assets attributable to other share classes. Although for the purposes of internal accounting, a separate account will be established for each share class, in the event of an insolvency or termination of a portfolio (i.e., when the assets of a portfolio are insufficient to meet its liabilities), all assets will be used to meet a portfolio's liabilities, not just the amount standing to the credit of any individual share class. However, the assets of a portfolio may not be used to satisfy the liabilities of another portfolio.

Market risk

The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company. In particular, the value of investments may be affected by uncertainties such as international, political and economic developments or changes in government policies.

Foreign exchange risk

Because a portfolios' assets and liabilities may be denominated in currencies different to the base currency, the portfolio may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between the Base Currency and other currencies. Changes in currency exchange rates may influence the value of a portfolio's shares, the dividends or interest earned and the gains and losses realised. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation and other economic and political conditions.

If the currency in which a security is denominated appreciates against the base currency, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

A portfolio may engage in foreign currency transactions in order to hedge against currency exchange risk, however there is no guarantee that hedging or protection will be achieved. This strategy may also limit the portfolio from benefiting from the performance of a portfolio's securities if the currency in which the securities held by the portfolio are denominated rises against the base currency. In case of a hedged Class, (denominated in a currency different from the base currency), this risk applies systematically.

Liquidity risk

A portfolio is exposed to the risk that a particular investment or position cannot be easily unwound or offset due to insufficient market depth or market disruption. This can affect the ability of a shareholder to redeem funds from that portfolio, and can also have an impact on the value of the portfolio.

Although the portfolios will invest mainly in the CIS in which the shareholders are entitled to redeem their shares within a reasonable timeframe, there may be exceptional circumstances in which such CIS cannot guarantee the liquidity of their shares/units. Absence of liquidity may have a determined impact on the portfolio and the value of its investments.

This liquidity risk is mitigated as the portfolios will have a well-diversified exposure to a broad range of asset classes.

In addition, the Company manages a robust risk management process effective on a daily basis in identifying, measuring, monitoring and controlling the liquidity risk for all assets classes including, but not limited to, Emerging Markets equities, Investment Grade, high yield and Emerging Markets debt securities, real estate, hedge fund, private equity and absolute return strategies.

Emerging Markets risk

Because of the special risks associated with investing in Emerging Markets, portfolios which have exposure to such securities should be considered speculative. Investors in such portfolios are advised to consider carefully the special risks of investing in Emerging Market securities. Economies in Emerging Markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be affected adversely by economic conditions in the countries in which they trade.

Brokerage commissions, custodial services and other costs relating to investment in Emerging Markets generally are more expensive than those relating to investment in more developed markets. Lack of adequate custodial systems in some markets may prevent investment in a given country or may require a portfolio to accept greater custodial risks in order to invest, although the Depositary Bank will endeavour to minimise such risks through the appointment of correspondents that are international, reputable and creditworthy financial institutions. In addition, such markets have different settlement and clearance procedures. In certain markets there have been times when settlements have been unable to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. The inability of a portfolio to make intended securities purchases due to settlement problems could cause the portfolio to miss attractive investment opportunities. Inability to dispose of a portfolio security caused by settlement problems could result either in losses to a portfolio due to subsequent declines in value of the portfolio security or, if a portfolio has entered into a contract to sell the security, could result in potential liability to the purchaser.

The risk also exists that an emergency situation may arise in one or more developing markets as a result of which trading of securities may cease or may be substantially curtailed and prices for a portfolio's securities in such markets may not be readily available.

Investors should note that changes in the political climate in Emerging Markets may result in significant shifts in the attitude to the taxation of foreign investors. Such changes may result in changes to legislation, the interpretation of legislation, or the granting of foreign investors the benefit of tax exemptions or international tax treaties. The effect of such changes can be retrospective and can (if they occur) have an adverse impact on the investment return of shareholders in any portfolio so affected.

Investors in Emerging Markets portfolios should be aware of the risk associated with investment in Russian equity securities. Markets are not always regulated in Russia and, at the present time, there are a relatively small number of brokers and participants in these markets and when combined with political and economic uncertainties this may temporarily result in illiquid equity markets in which prices are highly volatile.

The relevant portfolios will therefore only invest up to 10% of their NAV directly in Russian equity securities (except if they are listed on the Russian Trading System (RTS) Stock Exchange, on the Moscow Interbank Currency Exchange in Russia and any

other regulated markets in Russia which would further be recognised as such by the Luxembourg supervisory authority) while the portfolios will invest in American, European and Global Depositary Receipts, respectively American Depositary system (ADRs), European depositary receipt (EDRs) or Global Depositary System (GDRs), where underlying securities are issued by companies domiciled in the Russian Federation and then trade on a Regulated Market outside Russia, mainly in the USA or Europe. By investing in ADRs, EDRs and GDRs, the portfolios expect to be able to mitigate some of the settlement risks associated with the investment policy, although other risks, e.g. the currency risk exposure, shall remain.

Interest rate risk

A portfolio that has exposure to bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

Credit risk

A portfolio which has exposure to bonds and other fixed income securities, is subject to the risk that issuers may not make payments on such securities. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security, may also offset the security's liquidity, making it more difficult to sell. Portfolios investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

Downgrading Risk

Investment Grade bonds may be subject to the risk of being downgraded to Non-Investment Grade bonds. In the event of downgrading in the credit ratings of a security or an issuer relating to a security, the portfolio's investment value in such security may be adversely affected. The Management Company or the relevant Investment Adviser may or may not dispose of the securities, subject to the investment objective of the portfolio. If downgrading occurs, the non-Investment Grade debt risk outlined in the paragraph below will apply.

Non-Investment Grade Debt / Unrated Debt

A portfolio which invests in Non-Investment Grade or unrated fixed-income securities carries higher credit risk (default risk and downgrade risk), liquidity risk and market risk than a portfolio that invests in investments in Investment Grade fixed-income securities.

Credit risk is greater for investments in fixed-income securities that are rated below Investment Grade or unrated fixed income securities which are not of comparable quality with Investment Grade securities. It is more likely that income or capital payments may not be made when due. Thus the risk of default is greater. The amounts that may be recovered after any default may be smaller or zero and the portfolio may incur additional expenses if it tries to recover its losses through bankruptcy or other similar proceedings.

Adverse economic events may have a greater impact on the prices of Non-Investment Grade and unrated fixed-income securities. Investors should therefore be prepared for greater volatility than for Investment Grade fixed-income securities, with an increased risk of capital loss, but with the potential of higher returns.

The market liquidity for Non-Investment Grade and unrated fixed-income securities can be low and there may be circumstances in which there is no liquidity for these securities, making it more difficult to value and/or sell these securities. As a result of significant redemption applications received over a limited period in a portfolio invested in Non-Investment Grade or unrated fixed-income securities, the board of directors may invoke the procedure permitting the deferral of shareholder redemptions (See Section "Deferral of Redemption" in Section 2.3. "How to Sell Shares" of the Prospectus for further information).

Volatility of financial derivative instruments

The price of a financial derivative instrument can be very volatile. This is because a small movement in the price of the underlying security, index, interest rate or currency may result in a substantial movement in the price of the financial derivative instrument. Investment in financial derivative instruments may result in losses in excess of the amount invested.

Futures and options

Under certain conditions, the Company may use options and futures on securities, indices and interest rates for different purposes (i.e. investment, hedging and efficient portfolio management). Also, where appropriate, the Company may hedge market and currency risks using futures, options or forward foreign exchange contracts.

Transactions in futures carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the investor. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders.

Transactions in options also carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

OTC financial derivative transactions

In general, there is less governmental regulation and supervision of transactions in the OTC markets (in which currencies, forward, spot and option contracts, credit default swaps, total return swaps and certain options on currencies are generally traded) than of transactions entered into on organized exchanges. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with OTC financial derivative transactions. Therefore, a portfolio entering into OTC financial derivative transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that a portfolio will sustain losses. The Company will only enter into transactions with counterparties which it believes to be creditworthy, and may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from certain counterparties. Regardless of the measures the Company may seek to implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that a portfolio will not sustain losses as a result.

From time to time, the counterparties with which the Company effects transactions might cease making markets or quoting prices in certain of the instruments. In such instances, the Company might be unable to enter into a desired transaction in currencies, credit default swaps or total return swaps or to enter into an offsetting transaction with respect to an open position, which might adversely affect its performance. Further, in contrast to exchange-traded instruments, forward, spot and option contracts on currencies do not provide the Investment Adviser with the possibility to offset the Company's obligations through an equal and opposite transaction. For this reason, in entering into forward, spot or options contracts, the Company may be required, and must be able, to perform its obligations under the contracts.

Counterparty risk

The Company on behalf of a portfolio may enter into transactions in over-the-counter markets, which will expose the portfolio to the credit of its counterparties and their ability to satisfy the terms of such contracts.

For example, the Company on behalf of the portfolio may enter into repurchase agreements, forward contracts, options and swap arrangements or other derivative techniques, each of which expose the portfolio to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the portfolio could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Company seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights.

There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, investors may be unable to cover any losses incurred. Derivative contracts such as swap contracts entered into by the Company on behalf of a portfolio on the advice of the Investment Adviser involve credit risk that could result in a loss of the portfolio's entire investment as the portfolio may be fully exposed to the credit worthiness of a single approved counterparty where such an exposure will be collateralised.

Investment in real estate

Investments in equity securities issued by companies or in shares/units of real estate CIS which are principally engaged in the business of real estate will subject the strategy to risks associated with the direct ownership of real estate. These risks include, among others, possible declines in the value of real estate. Risks related to general and local economic conditions, possible lack of availability of mortgage funds, overbuilding, extended vacancies of properties, increases in competition, real estate taxes and transaction, operating and foreclosure expenses, changes in zoning laws, costs resulting from the clean-up of, and liability to third parties for damages resulting from, environmental problems; casualty or condemnation losses, uninsured damages from natural disasters and acts of terrorism, limitations on and variations in rents; and changes in interest rates. The strategy may invest in securities of small to mid-size companies which may trade in lower volumes and be less liquid than the securities of larger, more established companies or other CISs. There are therefore risks of fluctuations in value due to the greater potential volatility in their share prices.

Investment in REITs

Investors should note that insofar as the portfolio directly invests in REITs, any dividend policy or dividend payout at the portfolio level may not be representative of the dividend policy or dividend payout of the relevant underlying REIT.

The legal structure of a REIT, its investment restrictions and the regulatory and taxation regimes to which it is subject will differ depending on the jurisdiction in which it is established.

Investment in hedge funds

Hedge funds are considered to fall within the category of alternative investments. Hedge funds often engage in borrowing money to increase returns and other speculative investment practices that may increase the risk of investment loss. They may also regularly make short sales, i.e. sales of assets received through securities lending from a third party, for which there exists an obligation to return the securities. If the price of the securities increases the hedge funds may suffer a loss, possibly unlimited in amount. They can be difficult to sell, are not required to provide periodic pricing or valuation information to investors, and may involve complex tax structures and delays in distributing important information. Alternative investments may not always be subject to governmental or regulatory supervision and are generally not bound by investment restrictions or limits. They are often not subject to the same regulatory requirements as, say, funds and often charge high fees that may

potentially offset trading profits when they occur. Exposure to hedge funds through derivatives is subject to the risks associated with such derivatives described in this section.

Investment in private equity

Private equity investments are generally illiquid, long-term investments that do not display the liquidity or transparency characteristics often found in other investments (e.g. listed securities). It can take a longer time for money to be invested as well as a longer time for investments to produce returns after initial losses. There is a higher degree of risk that the entire investment may be lost. Private equity companies are subject to little or no regulatory supervision and thus the reporting standards may be lower than exchange traded companies.

Investment in commodity Collective Investment Schemes or commodity financial derivative instruments

The portfolio may have exposure to commodities markets. This type of exposure generally entails greater volatility than investments in traditional securities, such as stocks and bonds. The commodities markets may vary widely based on a variety of factors. These include changes in overall market movements, domestic and foreign political and economic events and policies, war, acts of terrorism, changes in domestic or foreign interest rates and/or expectations concerning interest rates, domestic and foreign inflation rates and/or investor expectations concerning inflation rates and investment and trading activities of mutual funds and commodities funds.

Prices of various commodities may also be affected by factors such as droughts, floods, weather, livestock disease, embargoes, tariffs and other regulatory developments. Many of these factors are very unpredictable. The prices of commodities can also fluctuate widely due to supply and demand disruptions in major producing or consuming regions. Certain commodities may be produced in a limited number of countries and may be controlled by a small number of producers. As a result political, economic and supply related events in such countries could have a disproportionate impact on the prices of such commodities.

Because the portfolio's performance may be linked to the performance of highly volatile commodities, investors should consider purchasing shares of the portfolio only as part of an overall diversified portfolio and should be willing to assume the risks of potentially significant fluctuations in the value of portfolio shares.

Specific nature of a fund of funds

Prospective investors should be aware of the specific features of a fund of funds and the consequences of investing in the CISs. Although the Company will seek to monitor investments and trading activities of the CISs to which certain portfolios' assets will be allocated, investment decisions are made at the level of such CISs and it is possible that the managers of such CISs will 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. Consequently there is a possibility that one CIS may purchase an asset at about the same time as another CISs may sell it.

There can be no assurance that the selection of the managers of the CISs will result in an effective diversification of investment styles and that positions taken by the underlying CISs will always be consistent.

The selection of the CISs will be made in a manner to secure the opportunity to have the shares or units in such CISs redeemed within a reasonable time frame. There is, however, no assurance that the liquidity of the CISs will always be sufficient to meet redemption requests as and when made.

Duplication of costs when investing in Collective Investment Schemes

The Company incurs costs of its own management and administration comprising the fees paid to the Management Company (which include among others the fees of the Depositary Bank, unless otherwise provided hereinafter) and other service providers. It should be noted that, in addition, the Company incurs similar costs in its capacity as an investor in the CISs which in turn pay similar fees to their manager and other service providers. The directors endeavour to reduce duplication of management charges by negotiating rebates where applicable in favour of the Company with the CISs or their managers. Please refer to the Section 2.8. "Charges and Expenses" of the Prospectus.

Further, the investment strategies and techniques employed by certain CISs may involve frequent changes in positions and a consequent portfolio turnover. This may result in brokerage commission expenses which exceed significantly those of the CISs of comparable size.

The CISs may be required to pay performance fees to their manager. Under these arrangements the managers will benefit from the appreciation, including unrealised appreciation of the investments of such CISs, but they are not similarly penalised for realised or unrealised losses.

As a consequence, the direct and indirect costs borne by the Company are likely to represent a higher percentage of the NAV than would typically be the case with CISs which invest directly in equity and bond markets (and not through other CISs).

Potential implication of Brexit

On 29th March 2017, the Government of the United Kingdom ("UK") formally notified the European Union ("EU") of its intention to leave the European Union (i.e. "Brexit"). As things currently stand, the UK will formally leave the EU on 29th March 2019. The UK and EU27 have agreed on a transition period lasting until end-2020, during which EU law would continue to apply to the UK as if it were a member state. This will, however, only become law once the overall Article 50 withdrawal agreement is approved by the European Council and ratified by the European and UK Parliaments.

The UK's future economic and political relationship with the EU (and with other non-EU countries by agreement) remains uncertain. This uncertainty is likely to generate further global currency and asset price volatility. This may negatively impact the returns of the Company and its investments resulting in greater costs if the Company decides to employ currency hedging policies. Ongoing uncertainty could adversely impact the general economic outlook and as such this may impact negatively on the ability of the Company and its investments to execute their strategies effectively and may also result in increased costs to the Company.

It is possible there will be more divergence between UK and EU regulations post-Brexit, limiting what cross-border activities can take place. This will possibly affect the Company's ability to receive investment advice or portfolio management services or increase the costs for such services and may also impact the ability to market the portfolio to UK investors.

The nature and extent of the impact of any Brexit related changes are uncertain but may be significant.

Taxation

Investors should note in particular that (i) the proceeds from the sale of securities in some markets or the receipt of any dividends or other income may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities in that market including taxation levied by withholding at source and/or (ii) the portfolio's investments may be subject to specific taxes or charges imposed by authorities in some markets. Tax law and practice in certain countries into which a portfolio invests or may invest in the future is not clearly established. It is possible therefore that the current interpretation of the law or understanding of practice might change, or that the law might be changed with retrospective effect. It is therefore possible that the portfolio could become subject to additional taxation in such countries that is not anticipated either at the date of the Target Fund Prospectus or when investments are made, valued or disposed of.

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

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

2. TARGET FUND INFORMATION

2.1. ABOUT HSBC PORTFOLIOS (“COMPANY”)

HSBC Portfolios (the “Company”) is an open-ended investment company and qualifies as an Undertaking for Collective Investment in Transferable Securities (“UCITS”) under the Part I of the 2010 Law implementing Directive 2009/65/EC into Luxembourg law. Each portfolio corresponds to a distinct part of assets and liabilities. It exists for an unlimited period.

The directors of the Company have appointed HSBC Investment Funds (Luxembourg) S.A. as the Management Company to be responsible on a day to day basis, under the supervision of the directors, for providing administration, marketing, investment management and advice services in respect of all portfolios.

The Management Company has delegated the administration functions to HSBC France, Luxembourg Branch as the Administration Agent and registrar and transfer functions to HSBC France, Luxembourg Branch as the Registrar and Transfer Agent. The Management Company has delegated the marketing functions to the distributors and the investment management and advisory functions to HSBC Global Asset Management (UK) Limited as the Investment Adviser.

The Management Company was incorporated on 26 September 1988 as a société anonyme under the laws of the Grand Duchy of Luxembourg and its Articles of Incorporation are deposited with the Luxembourg Registre de Commerce et des Sociétés. The Management Company is approved as management company regulated by chapter 15 of the 2010 Law.

Pursuant to an agreement between the Company, the Management Company and the Depositary Bank (the “Depositary Services Agreement”) and for the purposes of and in compliance with the 2010 Law and applicable regulations, the Depositary Bank has been appointed as depositary of the Company.

The Depositary Bank is the Luxembourg branch of HSBC France, a public limited company incorporated pursuant to the laws of France with company registration number 775 670 284 RCS Paris. HSBC France is a wholly owned subsidiary of HSBC Holdings plc. The Depositary Bank’s registered office is located at 16, boulevard d’Avranches, L-1160 Luxembourg and the principal business activity of the Depositary Bank is the provision of financial services, including depositary services. HSBC France is supervised by the European Central Bank, as part of the Single Supervisory Mechanism, the French Prudential Supervisory and Resolution Authority (l’Autorité de Contrôle Prudentiel et de Résolution) as the French national competent authority and the French Financial Markets Authority (l’Autorité des Marchés Financiers) for the activities carried out over financial instruments or in financial markets. When providing services to Luxembourg undertakings for collective investment, the Depositary Bank is subject to the supervision of the Commission de Surveillance du Secteur Financier (“CSSF”).

This Information Memorandum describes the features of the Target Funds in accordance with the prospectus of the Target Funds (the “Prospectus”) and we recommend this document should be read in conjunction 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 Management Company. 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 Fund as compared to the Prospectus, the Prospectus shall prevail.

For this section, the following definitions apply:

Eligible State	:	Any Member State of the European Union (“EU”) or any other state in Eastern and Western Europe, Asia, Africa, Australia, North and South America and Oceania.
Emerging Markets	:	Emerging markets are those markets in countries that are not amongst the following groups of industrialised countries: United States and Canada, Switzerland and Members of the European Economic Area, Japan, Australia and New Zealand, and may include those countries in the preceding groups that do not have fully developed financial markets.
G20	:	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, UK, USA and the European Union.
Investment Grade	:	Fixed income securities that are at least rated Baa3/BBB- by Moody’s, Standard & Poor’s, or another recognised credit rating agency.
Member State	:	A Member State of the European Union. The States that are contracting parties to the Agreement creating the European Economic Area other than the Member States of the European Union, within the limits set forth by this Agreement and related acts, are considered as equivalent to Member States of the European Union.
Money Market Instruments	:	Shall mean instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time.
Non-Investment Grade	:	Fixed income securities that are rated Ba1/BB+ or lower by Moody’s, Standard & Poor’s or another recognised credit rating agency.
OECD	:	Organisation for Economic Co-operation and Development.
other Eligible UCI	:	An open-ended undertaking for collective investment within the meaning of Article 1 paragraph (2), point (a) and point (b) of Directive 2009/65/EC and complying with the following: - it is authorised under laws which provide that it is subject to supervision considered by the

		<p>CSSF to be equivalent to that laid down in European Community law and that cooperation between authorities is sufficiently ensured;</p> <ul style="list-style-type: none"> - the level of protection for its unitholders is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the UCITS Directive 2009/65/EC, as amended; - its business is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period; - no more than 10% of its assets can, according to its management regulations or instruments of incorporation, be invested in aggregate in units of other UCITS or other eligible UCIs. <p>Closed-ended UCIs are not considered as other Eligible UCIs, but may qualify as Transferable Securities.</p>
Regulated Market	:	A regulated market as defined in Article 4.1. (21) of the Directive 2014/65/EU of 15 May 2014 on markets in financial instruments (Directive 2014/65/EU).
Transferable Securities	:	<p>Shall mean;</p> <ul style="list-style-type: none"> (a) shares and other securities equivalent to shares, (b) bonds and other debt instruments, (c) any other negotiable securities which carry the right to acquire any such Transferable Securities by subscription or exchange, <p>excluding techniques and instruments relating to Transferable Securities and Money Market Instruments.</p>

2.2. ABOUT TARGET FUNDS

2.2.1. HSBC PORTFOLIOS – WORLD SELECTION 1 (“HSBC-WS1”)

Investment Objective and Investment Strategies of the Target Fund

HSBC-WS1 aims to provide long term total return by investing in a portfolio of fixed income and equity securities consistent with a low risk investment strategy.

HSBC-WS1 invests (normally a minimum of 90% of its net assets) in or gains exposure to:

- fixed income and equity securities directly into markets and/or through investments in UCITS and/or other Eligible UCIs.
- other asset classes including, but not limited to, real estate, private equity, hedge fund strategies and commodities through investments in equities securities issued by companies based or operating in developed or Emerging Markets, UCITS and/or other Eligible UCIs.

HSBC-WS1 invests in Investment Grade and Non-Investment Grade rated fixed income and other similar securities issued or guaranteed by governments, government agencies or supranational bodies of developed markets, such as OECD countries, and/or Emerging Markets or by companies which are based in or carry out the larger part of their business activities in a developed or Emerging Market. These securities are denominated either in US dollar, in other developed markets currencies hedged into US dollar, or in local Emerging Markets currencies. HSBC-WS1 may also invest in unrated fixed income securities.

The aggregate investment in securities that are (i) unrated; or (ii) Non-Investment Grade will not exceed 20% of HSBC-WS1's net assets.

HSBC-WS1 invests in equities and equity equivalent securities issued by companies which are based or operating in developed and/or Emerging Markets. The Target Fund normally invests across a range of market capitalisations.

HSBC-WS1 may invest up to 100% of its assets in units or shares of UCITS and/or other Eligible UCIs. The Target Fund's exposure to such holdings will normally be between 25% and 75%.

HSBC-WS1 will not invest more than 10% of its net assets in securities issued by or guaranteed by any single sovereign issuer with a credit rating below Investment Grade.

HSBC-WS1's primary currency exposure is to the US dollar.

Asset class exposure limits

For the specific groups of asset class described in the table below, HSBC-WS1 has a total maximum exposure limit as follows:

Asset class	Maximum exposure
Equity	25%
Fixed income	100%
Total of the following:	25%

Asset class	Maximum exposure
▪ Real estate*	15%
▪ Private equity	10%
▪ Commodity	10%
▪ Hedge fund	10%
▪ Absolute return	10%

* HSBC-WS1 will not invest in direct real estate.

Use of financial derivative instruments

HSBC-WS1 may achieve its investment policy by investing in financial derivative instruments. However, HSBC-WS1 does not intend to invest in financial derivative instruments extensively and their primary use will be for hedging purposes, cash flow management and tactical asset allocation. Financial derivative instruments may also be used for efficient portfolio management.

Financial derivative instruments that HSBC-WS1 may use include, but are not limited to:

- foreign exchange forwards (including non-deliverable forwards),
- exchange-traded future options, fx options and swaptions,
- on and off-exchange traded futures, and
- swaps (interest rate, credit default, inflation, total return and currency).

Financial derivative instruments may also be embedded in other instruments used by HSBC-WS1 (for example, participation notes and convertibles).

HSBC-WS1 may be leveraged through the use of financial derivative instruments.

Benchmark

HSBC-WS1 has no benchmark as it is benchmark unconstrained.

Dividend Policy

The Class AM USD of HSBC-WS1 distributes income on monthly basis.

2.2.2. HSBC PORTFOLIOS – WORLD SELECTION 2 (“HSBC-WS2”)

Investment Objective and Investment Strategies of the Target Fund

HSBC-WS2 aims to provide long term total return by investing in a portfolio of fixed income and equity securities consistent with a low to medium risk investment strategy.

HSBC-WS2 invests (normally a minimum of 90% of its net assets) in or gains exposure to:

- fixed income and equity securities directly into markets and/or through investments in UCITS and/or other Eligible UCIs.
- other asset classes including, but not limited to, real estate, private equity, hedge fund strategies and commodities through investments in equities securities issued by companies based or operating in developed or Emerging Markets, UCITS and/or other Eligible UCIs.

HSBC-WS2 invests in Investment Grade and Non-Investment Grade rated fixed income and other similar securities issued or guaranteed by governments, government agencies or supranational bodies of developed markets, such as OECD countries, and/or Emerging Markets or by companies which are based in or carry out the larger part of their business activities in a developed or Emerging Market. These securities are denominated either in US dollar, in other developed markets currencies hedged into US dollar, or in local Emerging Markets currencies. HSBC-WS2 may also invest in unrated fixed income securities.

The aggregate investment in securities that are (i) unrated; or (ii) Non-Investment Grade will not exceed 20% of HSBC-WS2's net assets.

HSBC-WS2 invests in equities and equity equivalent securities issued by companies which are based or operating in both developed and/or Emerging Markets. HSBC-WS2 normally invests across a range of market capitalisations.

HSBC-WS2 may invest up to 100% of its assets in units or shares of UCITS and/or other Eligible UCIs. HSBC-WS2's exposure to such holdings will normally be between 25% and 75%.

HSBC-WS2 will not invest more than 10% of its net assets in securities issued by or guaranteed by any single sovereign issuer with a credit rating below Investment Grade.

HSBC-WS2's primary currency exposure is to the US dollar.

Asset class exposure limits

For the specific groups of asset class described in the table below, HSBC-WS2 has a total maximum exposure limit as follows:

Asset class	Maximum exposure
Equity	50%
Fixed income	100%
Total of the following:	25%
▪ Real estate*	15%
▪ Private equity	10%
▪ Commodity	10%
▪ Hedge fund	10%
▪ Absolute return	10%

* HSBC-WS2 will not invest in direct real estate.

Use of financial derivative instruments

HSBC-WS2 may achieve its investment policy by investing in financial derivative instruments. However, HSBC-WS2 does not intend to invest in financial derivative instruments extensively and their primary use will be for hedging purposes, cash flow management and tactical asset allocation. Financial derivative instruments may also be used for efficient portfolio management.

Financial derivative instruments that HSBC-WS2 may use include, but are not limited to:

- foreign exchange forwards (including non-deliverable forwards),
- exchange-traded future options, fx options and swaptions.
- on and off-exchange traded futures, and
- swaps (interest rate, credit default, inflation, total return and currency).

Financial derivative instruments may also be embedded in other instruments used by HSBC-WS2 (for example, participation notes and convertibles).

HSBC-WS2 may be leveraged through the use of financial derivative instruments.

Benchmark

HSBC-WS2 has no benchmark as it is benchmark unconstrained.

Dividend Policy

The Class AM USD of HSBC-WS2 distributes income on monthly basis.

2.2.3. HSBC PORTFOLIOS – WORLD SELECTION 3 (“HSBC-WS3”)

Investment Objective and Investment Strategies of the Target Fund

HSBC-WS3 aims to provide long term total return by investing in a portfolio of equity and fixed income securities consistent with a medium risk investment strategy.

HSBC-WS3 invests (normally a minimum of 90% of its net assets) in or gains exposure to:

- fixed income and equity securities directly into markets and/or through investments in UCITS and/or other Eligible UCIs.
- other asset classes including, but not limited to, real estate, private equity, hedge fund strategies and commodities through investments in equities securities issued by companies based or operating in developed or Emerging Markets, UCITS and/or other Eligible UCIs.

HSBC-WS3 invests in Investment Grade and Non-Investment Grade rated fixed income and other similar securities issued or guaranteed by governments, government agencies or supranational bodies of developed markets, such as OECD countries, and/or Emerging Markets or by companies which are based in or carry out the larger part of their business activities in a developed or Emerging Market. These securities are denominated either in US dollar, in other developed markets currencies hedged into US dollar, or in local Emerging Markets currencies. HSBC-WS3 may also invest in unrated fixed income securities.

The aggregate investment in securities that are (i) unrated; or (ii) Non-Investment Grade will not exceed 20% of HSBC-WS3's net assets.

HSBC-WS3 invests in equities and equity equivalent securities issued by companies which are based or operating in both developed and/or Emerging Markets. HSBC-WS3 normally invests across a range of market capitalisations.

HSBC-WS3 may invest up to 100% of its assets in units or shares of UCITS and/or other Eligible UCIs. HSBC-WS3's exposure to such holdings will normally be between 40% and 90%.

HSBC-WS3 will not invest more than 10% of its net assets in securities issued by or guaranteed by any single sovereign issuer with a credit rating below Investment Grade.

HSBC-WS3's primary currency exposure is to the US dollar.

Asset class exposure limits

For the specific groups of asset class described in the table below, HSBC-WS3 has a total maximum exposure limit as follows:

Asset class	Maximum exposure
Equity	85%
Fixed income	80%
Total of the following:	30%
▪ Real estate*	15%
▪ Private equity	10%
▪ Commodity	10%
▪ Hedge fund	15%
▪ Absolute return	10%

* HSBC-WS3 will not invest in direct real estate.

Use of financial derivative instruments

HSBC-WS3 may achieve its investment policy by investing in financial derivative instruments. However, HSBC-WS3 does not intend to invest in financial derivative instruments extensively and their primary use will be for hedging purposes, cash flow management and tactical asset allocation. Financial derivative instruments may also be used for efficient portfolio management.

Financial derivative instruments that HSBC-WS3 may use include, but are not limited to:

- foreign exchange forwards (including non-deliverable forwards),
- exchange-traded future options, fx options and swaptions,
- on and off-exchange traded futures, and
- swaps (interest rate, credit default, inflation, total return and currency).

Financial derivative instruments may also be embedded in other instruments used by HSBC-WS3 (for example, participation notes and convertibles).

HSBC-WS3 may be leveraged through the use of financial derivative instruments.

Benchmark

HSBC-WS3 has no benchmark as it is benchmark unconstrained.

Dividend Policy

The Class AM USD of HSBC-WS3 distributes income on monthly basis.

2.2.4. HSBC PORTFOLIOS – WORLD SELECTION 4 (“HSBC-WS4”)

Investment Objective and Investment Strategies of the Target Fund

HSBC-WS4 aims to provide long term total return by investing in a portfolio of equity and fixed income securities consistent with a medium to high risk investment strategy.

HSBC-WS4 invests (normally a minimum of 90% of its net assets) in or gains exposure to:

- fixed income and equity securities directly into markets and/or through investments in UCITS and/or other Eligible UCIs.
- other asset classes including, but not limited to, real estate, private equity, hedge fund strategies and commodities through investments in equities securities issued by companies based or operating in developed or Emerging Markets, UCITS and/or other Eligible UCIs.

HSBC-WS4 invests in Investment Grade and Non-Investment Grade rated fixed income and other similar securities issued or guaranteed by governments, government agencies or supranational bodies of developed markets, such as OECD countries, and/or Emerging Markets or by companies which are based in or carry out the larger part of their business activities in a developed or Emerging Market. These securities are denominated either in US dollar, in other developed markets currencies hedged into US dollar, or in local Emerging Markets currencies. HSBC-WS4 may also invest in unrated fixed income securities.

The aggregate investment in securities that are (i) unrated; or (ii) Non-Investment Grade will not exceed 20% of HSBC-WS4's net assets.

HSBC-WS4 invests in equities and equity equivalent securities issued by companies which are based or operating in developed and Emerging Markets. HSBC-WS4 normally invests across a range of market capitalisations.

HSBC-WS4 may invest up to 100% of its assets in units or shares of UCITS and/or other Eligible UCIs. HSBC-WS4's exposure to such holdings will normally be between 50% and 100%.

HSBC-WS4 will not invest more than 10% of its net assets in securities issued by or guaranteed by any single sovereign issuer with a credit rating below Investment Grade.

HSBC-WS4's primary currency exposure is to the US dollar.

Asset class exposure limits

For the specific groups of asset class described in the table below, HSBC-WS4 has a total maximum exposure limit as follows:

Asset class	Maximum exposure
Equity	100%
Fixed income	50%
Total of the following:	35%
▪ Real estate*	15%
▪ Private equity	10%
▪ Commodity	10%
▪ Hedge fund	20%
▪ Absolute return	10%

* HSBC-WS4 will not invest in direct real estate.

Use of financial derivative instruments

HSBC-WS4 may achieve its investment policy by investing in financial derivative instruments. However, HSBC-WS4 does not intend to invest in financial derivative instruments extensively and their primary use will be for hedging purposes, cash flow management and tactical asset allocation. Financial derivative instruments may also be used for efficient portfolio management.

Financial derivative instruments that HSBC-WS4 may use include, but are not limited to:

- foreign exchange forwards (including non-deliverable forwards),
- exchange-traded future options, fx options and swaptions.
- on and off-exchange traded futures, and
- swaps (interest rate, credit default, inflation, total return and currency).

Financial derivative instruments may also be embedded in other instruments used by HSBC-WS4 (for example, participation notes and convertibles).

HSBC-WS4 may be leveraged through the use of financial derivative instruments.

Benchmark

HSBC-WS4 has no benchmark as it is benchmark unconstrained.

Dividend Policy

The Class AM USD of HSBC-WS4 distributes income on monthly basis.

2.2.5. HSBC PORTFOLIOS – WORLD SELECTION 5 (“HSBC-WS5”)

Investment Objective and Investment Strategies of the Target Fund

HSBC-WS5 aims to provide long term total return by investing in a portfolio of equity and fixed income securities consistent with a high risk investment strategy.

HSBC-WS5 invests (normally a minimum of 90% of its net assets) in or gains exposure to:

- fixed income and equity securities directly into markets and/or through investments in UCITS and/or other Eligible UCIs.
- other asset classes including, but not limited to, real estate, private equity, hedge fund strategies and commodities through investments in equities securities issued by companies based or operating in developed or Emerging Markets, UCITS and/or other Eligible UCIs.

HSBC-WS5 invests in Investment Grade and Non-Investment Grade rated fixed income and other similar securities issued or guaranteed by governments, government agencies or supranational bodies of developed markets, such as OECD countries,

and/or Emerging Markets or by companies which are based in or carry out the larger part of their business activities in a developed or Emerging Market. These securities are denominated either in US dollar, in other developed markets currencies hedged into US dollar, or in local Emerging Markets currencies. HSBC-WS5 may also invest in unrated fixed income securities.

The aggregate investment in securities that are (i) unrated; or (ii) Non-Investment Grade will not exceed 20% of HSBC-WS5's net assets.

HSBC-WS5 invests in equities and equity equivalent securities issued by companies which are based or operating in both developed and/or Emerging Markets. HSBC-WS5 normally invests across a range of market capitalisations.

HSBC-WS5 may invest up to 100% of its assets in units or shares of UCITS and/or other Eligible UCIs. HSBC-WS5's exposure to such holdings will normally be between 50% and 100%.

HSBC-WS5 will not invest more than 10% of its net assets in securities issued by or guaranteed by any single sovereign issuer with a credit rating below Investment Grade.

HSBC-WS5's primary currency exposure is to the US dollar.

Asset class exposure limits

For the specific groups of asset class described in the table below, HSBC-WS5 has a total maximum exposure limit as follows:

Asset class	Maximum exposure
Equity	100%
Fixed income	20%
Total of the following:	45%
▪ Real estate*	15%
▪ Private equity	10%
▪ Commodity	10%
▪ Hedge fund	20%
▪ Absolute return	10%

* HSBC-WS5 will not invest in direct real estate.

Use of financial derivative instruments

HSBC-WS5 may achieve its investment policy by investing in financial derivative instruments. However, HSBC-WS5 does not intend to invest in financial derivative instruments extensively and their primary use will be for hedging purposes, cash flow management and tactical asset allocation. Financial derivative instruments may also be used for efficient portfolio management.

Financial derivative instruments that HSBC-WS5 may use include, but are not limited to:

- foreign exchange forwards (including non-deliverable forwards),
- exchange-traded future options, fx options and swaptions.
- on and off-exchange traded futures, and
- swaps (interest rate, credit default, inflation, total return and currency).

Financial derivative instruments may also be embedded in other instruments used by HSBC-WS5 (for example, participation notes and convertibles).

HSBC-WS5 may be leveraged through the use of financial derivative instruments.

Benchmark

HSBC-WS5 has no benchmark as it is benchmark unconstrained.

Dividend Policy

The Class AM USD of HSBC-WS5 distributes income on monthly basis.

2.3. INVESTMENT AND BORROWING RESTRICTIONS OF THE TARGET FUND

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

2.3.1 INVESTMENT IN TRANSFERABLE SECURITIES AND LIQUID ASSETS

These general investment restrictions aim to restate the investment restrictions arising for UCITS funds under the 2010 Law and shall be interpreted in light of applicable Luxembourg law and regulatory practice. Each portfolio of the Company or where

a UCITS comprises more than one compartment, each such portfolio or compartment shall be regarded as a separate UCITS for the purposes of this appendix. The directors shall, based upon the principle of spreading of risks, have power to determine the investment policy for the investments of the Company in respect of each portfolio and the currency of denomination of a portfolio subject to the following restrictions:

- I. (1) The Company may invest in:
 - a) Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market;
 - b) Transferable Securities and Money Market Instruments dealt in on another market in a Member State of the European Union which is regulated, operates regularly and open to the public;
 - c) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in a non-Member State of the European Union or dealt in on another market in a non-Member State of the European Union which is regulated, operates regularly and is recognised and open to the public provided that the choice of the stock exchange or market has been provided for in the constitutional documents of the UCITS;
 - d) recently issued Transferable Securities and Money Market Instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market and such admission is secured within a year of the issue.
 - e) units of UCITS and/or other eligible UCI, whether situated in a Member State or not, provided that:
 - a. such other eligible UCIs have been authorised under the laws which provide that they are subject to supervision considered by the Luxembourg supervisory authority to be equivalent to that laid down in European Community law, and that cooperation between authorities is sufficiently ensured,
 - b. the level of protection for unitholders in such other eligible UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of Directive 2009/65/EC, as amended,
 - c. the business of such other eligible UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
 - d. no more than 10% of the assets of the UCITS or of the other eligible UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other eligible UCIs;
 - f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a country which is a Member State or if the registered office of the credit institution is situated in a non-Member State provided that it is subject to prudential rules considered by the Luxembourg supervisory authority as equivalent to those laid down in European Community law;
 - g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on an Regulated Market and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:
 - a. the underlying consists of instruments covered by this Section (1) (a), financial indices, interest rates, foreign exchange rates or currencies, in which the portfolios may invest according to their investment objective;
 - b. the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg supervisory authority;
 - c. 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 Company's initiative.
- and/or
- h) Money Market Instruments other than those dealt in on a Regulated Market and defined in Appendix 1, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
 - a. issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, a non-Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
 - b. issued by an undertaking any securities of which are dealt in on Regulated Markets,
 - c. issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by the European Community law, or by an establishment which is subject to and complies with prudential rules considered by the Luxembourg supervisory authority to be at least as stringent as those laid down by European Community law, or
 - d. issued by other bodies belonging to the categories approved by the Luxembourg supervisory authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (Euro 10,000,000) and which presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC, is an entity which, within a group of companies

which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

- (2) In addition, the Company may invest a maximum of 10% of the net assets of any portfolio in Transferable Securities and Money Market Instruments other than those referred to under (1) above.

II. The Company may hold ancillary liquid assets.

- III. a) (i) The Company will invest no more than 10% of the net assets of any portfolio in Transferable Securities and Money Market Instruments issued by the same issuing body.
- (ii) The Company may not invest more than 20% of the total net assets of such portfolio in deposits made with the same body. The risk exposure of a portfolio to a counterparty in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in I. (1) f) above or 5% of its net assets in other cases.
- b) Moreover where the Company holds on behalf of a portfolio investment in Transferable Securities and Money Market Instruments of any issuing body which individually exceed 5% of the net assets of such portfolio, the total of all such investments must not account for more than 40% of the total net assets of such portfolio.

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 III. a), the Company shall not combine, where this would lead to investing more than 20% of its assets in a single body, any of the following for each portfolio:

- investments in Transferable Securities or Money Market Instruments issued by that body,
 - deposits made with that body, or
 - exposures arising from OTC derivative transactions undertaken with that body
- c) The limit of 10% laid down in sub-paragraph III. a) (i) above will be increased to a maximum of 35% in respect of Transferable Securities or Money Market Instruments which are issued or guaranteed by a Member State, its local authorities, or by another Eligible State or by public international bodies of which one or more Member States are members.
- d) The limit of 10% laid down in sub-paragraph III. a) (i) may be of a maximum of 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest. If a portfolio invests more than 5% of its net assets in the bonds referred to in this sub-paragraph and issued by one issuer, the total value of such investments may not exceed 80% of the NAV of the portfolio.
- e) The Transferable Securities and Money Market Instruments referred to in paragraphs III. c) and III.d) shall not be included in the calculation of the limit of 40% stated in paragraph III. b) above.

The limits set out in sub-paragraphs a), b) c) and d) may not be aggregated and, accordingly, investments in Transferable Securities and Money Market Instruments issued by the same issuing body, in deposits or in financial derivative instruments effected with the same issuing body may not, in any event, exceed a total of 35% of any portfolio's net assets;

Companies which are part of the same group for the purposes of the establishment 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 III.

The Company may cumulatively invest up to 20% of the net assets of a portfolio in Transferable Securities and Money Market Instruments within the same group.

- f) Notwithstanding the above provisions, the Company is authorised to invest up to 100% of the net assets of any portfolio, in accordance with the principle of risk spreading, in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities or agencies, a non-Member State or by another member state of the OECD, Singapore, or any member state of the G20 or by public international bodies of which one or more Member States are members, provided that such portfolio must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the total net assets of such portfolio.
- IV. a) Without prejudice to the limits laid down in paragraph V., the limits provided in paragraph III. are raised to a maximum of 20% for investments in shares and/or bonds issued by the same issuing body if the aim of the investment policy of a portfolio is to replicate the composition of a certain stock or bond index which is sufficiently

diversified, represents an adequate benchmark for the market to which it refers, is published in an appropriate manner and disclosed in the relevant portfolio's investment policy.

- b) The limit laid down in paragraph a) is raised to 35% where this proves to be justified by exceptional market conditions, in particular on Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

- V. The Company may not acquire shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.

The Company may acquire no more than:

- 10% of the non-voting shares of the same issuer;
- 10% of the debt securities of the same issuer;
- 10% of the Money Market Instruments of the same issuer.

The limits under the second and third indents may be disregarded at the time of acquisition, if at that time the gross amount of debt securities or of the Money Market Instruments or the net amount of the instruments in issue cannot be calculated.

The provisions of paragraph V. shall not be applicable to Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities or by any other Eligible State, or issued by public international bodies of which one or more Member States are members.

These provisions are also waived as regards shares held by the Company in the capital of a company incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies having their registered office in that state, where under the legislation of that state, such a holding represents the only way in which the Company can invest in the securities of issuing bodies of that state provided that the investment policy of the company from the non-Member State complies with the limits laid down in paragraphs III., V. and VI. a), b), c) and d).

- VI. a) The Company may acquire units of the UCITS and/or other Eligible UCIs referred to in paragraph I. (1) e), provided that no more than 20% of a portfolio's net assets be invested in the units of a single UCITS or other Eligible UCI.

For the purpose of the application of the investment limit, each compartment of an other Eligible UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.

- b) Investments made in units of other Eligible UCIs other than UCITS may not in aggregate exceed 30% of the net assets of a portfolio.
- c) The underlying investments held by the UCITS or other Eligible UCIs in which the Company invests do not have to be considered for the purpose of the investment restrictions set forth under III. above.
- d) When the Company invests in the units of other UCITS and/or other Eligible UCIs linked to the Company by common management or control, no subscription or redemption fees may be charged to the Company on account of its investment in the units of such other UCITS and/or other Eligible UCIs.

In respect of a portfolio's investments in UCITS and other Eligible UCIs linked to the Company as described in the preceding paragraph, the total management fee (excluding any performance fee, if any) charged to such portfolio itself and the other UCITS and/or other Eligible UCIs concerned shall not exceed 2.5% of the relevant assets. The Company will indicate in its annual report the total management fees charged both to the relevant portfolio and to the UCITS and other Eligible UCIs in which such portfolio has invested during the relevant period.

- e) The Company may acquire no more than 25% of the units of the same UCITS and/or other Eligible UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated.

- VII. In compliance with the applicable laws and regulations any portfolio of the Company (hereinafter referred to as a "Feeder portfolio") may be authorised to invest at least 85% of its assets in the units of another UCITS or portfolio thereof (the "Master UCITS"). A Feeder portfolio may hold up to 15% of its assets in one or more of the following:

- ancillary liquid assets in accordance with II;
- financial derivative instruments, which may be used only for hedging purposes;
- movable and immovable property which is essential for the direct pursuit of its business.

For the purposes of compliance with article 42(3) of the 2010 Law, the Feeder portfolio shall calculate its global exposure related to financial derivative instruments by combining its own direct exposure under the second indent of the first sub-paragraph with either:

- the Master UCITS actual exposure to financial derivative instruments in proportion to the Feeder portfolio investment into the Master UCITS; or

- the Master UCITS potential maximum global exposure to financial derivative instruments provided for in the Master UCITS management regulations or instruments of incorporation in proportion to the Feeder portfolio investment into the Master UCITS.

A portfolio of the Company may in addition and to the full extent permitted by applicable laws and regulations but in compliance with the conditions set-forth by applicable laws and regulations, be launched or converted into a Master UCITS in the meaning of Article 77(3) of the 2010 Law.

- VIII. A portfolio (the "Investing portfolio") may subscribe, acquire and/or hold securities to be issued or issued by one or more portfolio of the Company (each a "Target portfolio") without the Company being, subject to the requirements of the 1915 Law with respect to the subscription, acquisition and/or the holding by a company of its own shares; under the condition however that:
- the Investing portfolio may not invest more than 20% of its NAV in a single Target portfolio; and
 - the Target portfolio(s) do(es) not, in turn, invest in the Investing portfolio invested in this (these) Target portfolio(s); and
 - the investment policy(ies) of the Target portfolio(s) whose acquisition is contemplated does not allow such Target portfolio(s) to invest more than 10% of its(their) NAV in UCITS and UCIs; and
 - voting rights, if any, attaching to the Shares of the Target portfolio(s) held by the Investing portfolio are suspended for as long as they are held by the Investing portfolio concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
 - in any event, for as long as these securities are held by the Investing portfolio, their value will not be taken into consideration for the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Law.

- IX. The global exposure of each portfolio relating to derivative instruments may not exceed the net assets of the relevant portfolio.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions. This shall also apply to the next two subparagraphs.

If the Company invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in restriction III. When the Company invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in restriction III.

When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements set out in the preceding sub-paragraph.

- X. a) The Company may not borrow for the account of any portfolio amounts in excess of 10% of the total net assets of that portfolio, any such borrowings to be from banks and to be effected only as a temporary basis provided that the purchase of foreign currencies by way of back to back loans remains possible;
- b) The Company may not grant loans to or act as guarantor on behalf of third parties.
This restriction shall not prevent the Company from (i) acquiring Transferable Securities, Money Market Instruments or other financial instruments referred to in I. (1) c), g) and h) which are not fully paid, and (ii) performing permitted securities lending activities that shall not be deemed to constitute the making of a loan.
- c) The Company may not carry out uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments.
- d) The Company may not acquire movable or immovable property.
- e) The Company may not acquire either precious metals or certificates representing them.

- XI. If the percentage limitations set forth in the above restrictions are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its shareholders.

The Company will in addition comply with such further restrictions as may be required by the regulatory authorities in which the shares are marketed.

During the first six months following its launch, a new portfolio may derogate from restrictions III., IV. and VI. a), b), c) and d) while ensuring observance of the principle of risk spreading.

Risk-Management Process

The Management Company, on behalf of the Company, will employ a risk-management process which enables it, together with the Investment Adviser of the relevant portfolio, to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each portfolio. The Management Company or the Investment Adviser of the relevant

portfolio, on behalf of the Company will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments.

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

Commitment approach

The portfolios have simple and limited positions in financial derivative instruments but can enter into financial derivative instruments transactions for investment purposes other than hedging techniques and efficient portfolio management, in particular to gain exposure on financial markets when the relevant portfolio Investment Adviser believes that it is more efficient to purchase financial derivative instruments than the corresponding physical securities. These portfolios will use the commitment approach.

The commitment approach is generally calculated by converting the derivative contract into the equivalent position in the underlying asset embedded in that derivative, based on the market value of the underlying. Purchased and sold financial derivative instruments may be netted in accordance to the Committee of European Securities Regulator's guidelines 10/788 in order to reduce global exposure. Beyond these netting rules and after application of hedging rules, it is not allowed to have a negative commitment on a financial derivative instrument to reduce overall exposure and as such, risk-exposure numbers will always be positive or zero.

Additional restrictions

Although the Company is now authorised in Luxembourg as a UCITS under the 2010 Law and the Prospectus has been updated to incorporate new investment restrictions, for as long as the Company and the portfolios remain authorised by the Securities and Futures Commission ("SFC") in Hong Kong and unless otherwise approved by the SFC, the Management Company confirms its intention to operate the portfolios authorised in Hong Kong (other than the portfolios exercising the wider derivatives powers as indicated in the relevant investment objective of such portfolios) in accordance with the investment principles of chapter 7 of the Hong Kong code on unit trusts and mutual funds and to comply with any other requirements or conditions imposed by the SFC in respect of the relevant portfolios. Unless otherwise indicated in the investment objective of a portfolio in Section 3.2. "Portfolios Details" of the Prospectus, investments in China A-shares and B-shares dealt in on the stock exchanges in China (excluding Hong Kong) shall not exceed 10% of the NAV of the portfolio (including indirect exposure). At least one month prior notice will be given to relevant shareholders before any increase in exposure to China A-shares and B-shares can be made.

At the date of the Prospectus, all the portfolios are authorised by the SFC and therefore the abovementioned additional restrictions apply to all the portfolios.

2.4. PRICING ADJUSTMENT

When investors buy or sell shares in Target Fund, the Investment Adviser of the Target Fund may need to buy or sell the underlying investments within the Target Fund. Without an adjustment in the NAV per shares of the Target Fund to take account of these transactions, all shareholders in the Target Fund would pay the associated costs of buying and selling these underlying investments. These costs can include, but are not limited to, bid-offer spreads, brokerage and taxes on transactions.

The pricing adjustment aims to protect shareholders in Target Fund. The pricing adjustment aims to mitigate the effect of transactions costs on the NAV per shares of Target Fund incurred by significant net subscriptions or redemptions.

If it is in the interests of shareholders, the NAV per share may be adjusted up or down by a maximum of 2% when the net capital inflows or outflows in Target Fund exceeds a predefined threshold agreed from time to time by the board of directors.

The pricing adjustment mechanism has 3 main components:

- A threshold rate
- A buy adjustment rate
- A sell adjustment rate

These may be different for each Target Fund.

The pricing adjustment is triggered when the difference between subscriptions and redemptions, as a percentage of the Target Fund's NAV, exceeds the threshold on any particular valuation day. The NAV of the Target Fund will be adjusted up or down using the adjustment rates (buy adjustment rate for net subscriptions or sell adjustment rate for net redemptions).

The adjustment of the NAV per share will apply equally to each class of share in a specific Target Fund on any particular valuation.

For the avoidance of doubt, it is clarified that fees will continue to be calculated on the basis of the unadjusted NAV.

2.5. TEMPORARY SUSPENSION OF THE TARGET FUND

The Management Company, on behalf of the Company, may suspend, as disclosed in section 2.6. (2) of the Prospectus, the issue, allocation and the redemption of shares relating to the Target Funds as well as the right to convert shares relating to a class in the Target Funds into those relating to the same class in another portfolio of the Target Funds and the calculation of the NAV per share relating to any class:

- a) during any period when any market or stock exchange, which is the principal market or stock exchange on which a material part of the investments of the relevant Target Fund for the time being are quoted, is closed, or during which dealings are substantially restricted or suspended;
- b) during the existence of any state of affairs which constitutes an emergency as a result of which disposal of investments of the relevant Target Fund by the Company is not possible;
- c) during any period when the publication of an index, underlying of a financial derivative instrument representing a material part of the assets of the relevant Target Fund is suspended;
- d) during any period when the determination of the NAV per share of the CIS or the dealing of their shares/units in which a Target Fund is a materially invested is suspended or restricted;
- e) during any breakdown in the means of communication normally employed in determining the price of any of the relevant Target Fund's investments or the current prices on any market or stock exchange;
- f) during any period when remittance of monies which will or may be involved in the realisation of, or in the repayment for any of the relevant Target Fund's investments is not possible;
- g) to the extent that such suspension is justified for the protection of the shareholders, in the event of the publication of the convening notice to a general meeting of shareholders at which a resolution to wind up the Company or a class is to be proposed, or of the decision of the board of directors to wind up one or more Target Fund;
- h) to the extent that such a suspension is justified for the protection of the shareholders, in the event of the publication of the notice of the general meeting of shareholders at which the merger of the Company or a Target Fund is to be proposed, or of the decision of the board of directors to merge one or more Target Fund; or
- i) during any period when in the opinion of the directors of the Company there exist circumstances outside the control of the Company where it would be impracticable or unfair towards the shareholders to continue dealing in shares of any Target Fund of the Company.

The Company may cease the issue, allocation, conversion and redemption of the shares forthwith upon the occurrence of an event causing it to enter into liquidation or upon the order of the Luxembourg supervisory authority.

Shareholders who have requested conversion or redemption of their shares will be promptly notified in writing of any such suspension and of the termination thereof.

2.6. DEFERRAL OF REDEMPTION

In order to ensure that shareholders who remain invested in the Company are not disadvantaged by the reduction of the liquidity of the Company's portfolio as a result of significant redemption applications received over a limited period, the directors may apply the procedures set out below in order to permit the orderly disposal of securities to meet redemptions.

The Company, having regard to the fair and equal treatment of shareholders, on receiving requests to redeem shares amounting to 10% or more of the NAV of any portfolio:

- a) shall not be bound to redeem on any dealing day a number of shares representing more than 10% of the NAV of any portfolio. If the Company receives requests on any dealing day for redemption of a greater number of shares, it may declare that such redemptions exceeding the 10% limit may be deferred for seven consecutive dealing days. On such dealing days such requests for redemption will be complied with in priority to later requests. If in the case of a request for conversion, such day is not a qualifying day, requests for conversion shall be dealt with on the next qualifying day in priority to later requests.
- b) may elect to sell assets representing, as nearly as practicable, the same proportion of the portfolio's assets as the shares for which redemption requests have been received. If the Company exercises this option, the amount due to the shareholders who have applied to have their shares redeemed will be based on the NAV per share, calculated after such sale or disposal. Payment will be made forthwith upon completion of the sales and the receipt by the Company of the proceeds of sale in freely convertible currency. Receipt of the sale proceeds by the Company may however be delayed and the amount ultimately received may not necessarily reflect the NAV per share calculation made at the time of the relevant transactions because of possible fluctuations in the currency values and difficulties in repatriating funds from certain jurisdictions (See Section 1.3. "Risk Considerations" of the Prospectus).

Payment of redemption proceeds may be delayed if there are any specific statutory provisions such as foreign exchange restrictions, or any circumstances beyond the Company's control which make it impossible to transfer the redemption proceeds

to the country where the redemption was requested.

2.7. SPECIFIC RISKS OF THE TARGET FUND

Please refer to “Specific Risks Related to the Target Fund” section at page 13 for details.

2.8. FEES CHARGED BY THE TARGET FUND

FEES/EXPENSES					
	HSBC-WS1 (Class AM USD)	HSBC-WS2 (Class AM USD)	HSBC-WS3 (Class AM USD)	HSBC-WS4 (Class AM USD)	HSBC-WS5 (Class AM USD)
Initial Charge	Nil.				
Management Fee	1.00% of NAV	1.00% of NAV	1.20% of NAV	1.20% of NAV	1.30% of NAV
	Note: The management fee charged by the Target Fund will be paid out of the Management Fee charged by the Manager at the Fund level. Unit holders will incur Management Fee at the Fund's level only and there is no double charging of management fee.				
Redemption Fee	Nil.				
Performance Fee	Nil.				
Other expenses	<p>Operating, administrative and servicing expenses</p> <p>Up to 0.25% per annum of the NAV on a rolling basis of the Target Fund. Where actual expenses exceed 0.25% per annum, the excess will be borne directly by the Management Company or by HSBC Global Asset Management distributors.</p> <p>There are certain operating, administrative and servicing expenses ('the expenses') incurred throughout the lifetime of a portfolio or share class. These expenses are associated with services rendered to a relevant portfolio which are overseen by either the Management Company or the Company. Many of the services are delegated to other service providers who are paid directly by the Company. The following list is indicative but not exhaustive of the types of services that the expenses cover:</p> <ul style="list-style-type: none"> ▪ Management Company expenses ▪ Custody, depositary and safekeeping charges ▪ Transfer, registrar and payment agency fees ▪ Administration, domiciliary and fund accounting services ▪ Legal expenses for advice on behalf of the Company ▪ Audit fees ▪ Ongoing registration fees ▪ Taxe d'abonnement – an annual subscription tax in Luxembourg ▪ Listing fees (if applicable) ▪ Company directors' fees ▪ Documentation costs – preparing, printing, translating and distributing documents including, but not limited to, the Prospectus, key investor information documents and annual reports. ▪ Formation expenses for current and new portfolios including initial registration fees – these are amortised over a period not exceeding 5 years from the formation date of the portfolio. <p>Costs of investing in units in other UCITS and/or other Eligible UCIs</p> <p>These are the costs associated with holding units in other UCITS and/or other Eligible UCIs – including their ongoing charges and any one-off costs (e.g subscription and/or redemption fees). The payment of these will be taken in accordance with each specific UCITS and/or other Eligible UCI's payment schedule as articulated in their prospectus. If the Company invests in shares or units of UCITS and/or other Eligible UCIs that are managed directly or indirectly by the Management Company itself or a company with which it is linked by way of common management or control or by way of a direct or indirect stake of more than 10% of the capital or votes, then there will be no duplication of management, subscription or repurchase fees between the Company and the UCITS and/or other Eligible UCIs into which the Company invests. In derogation of this, if the Company invests in shares of HSBC UCITS ETFs PLC then there may be duplication of management fees for any portfolios. The maximum total management fees charged both to the relevant portfolio and to HSBC UCITS ETFs PLC will be disclosed in the annual report of the Company. If any portfolio's investments in UCITS and other Eligible UCIs constitute a substantial proportion of the portfolio's assets, the total management fee charged both to such portfolio itself and the other UCITS and/or other Eligible UCIs concerned shall not exceed 2.5% of the relevant assets. The directors will endeavour to reduce duplication of management charges by negotiating rebates, where applicable, in favour of the Company. The Company will indicate the value of the rebate in its annual report.</p> <p>Extraordinary expenses</p>				

FEES/EXPENSES					
	HSBC-WS1 (Class AM USD)	HSBC-WS2 (Class AM USD)	HSBC-WS3 (Class AM USD)	HSBC-WS4 (Class AM USD)	HSBC-WS5 (Class AM USD)
	<p>Any extraordinary expenses including litigation expenses and the full amount of any tax, levy, duty or similar charge and any unforeseen charges imposed on the Company or its assets will be borne by the Company without limitation.</p> <p>Other charges</p> <p>Other charges are the remaining charges incurred by the portfolios. They are paid by the Company depending on the services rendered to the share class. Other charges are not included in the ongoing charges figure in the Key Investor Information Documents. They consist of, but are not limited to, the following:</p> <ul style="list-style-type: none"> ▪ Duties, taxes and transaction costs associated with buying and selling the underlying assets of the Company ▪ Brokerage fees and commissions ▪ Interest on borrowing and bank charges incurred in negotiating borrowing ▪ Payments incurred for the holding of financial derivative instruments for the purposes of investment, efficient portfolio management and hedging. Hedging includes currency hedging for the underlying assets of the fund or for the currency hedging of share classes denominated in a currency other than the base currency. 				

3. FEES, CHARGES AND EXPENSES

3.1. CHARGES

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

3.1.1. Application Fee

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

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

	Class ABC (Denominated in USD)	Class XYZ (Denominated in MYR)
Investment amount	USD 10,000	MYR 10,000
NAV per unit	USD 1.0000	MYR 1.0000
Application Fee (NAV per unit)	5.50%	5.50%
Units issued to Unit holder = $\frac{\text{Investment amount}}{\text{NAV per unit}}$	= $\frac{\text{USD 10,000.00}}{\text{USD 1.0000}}$ = 10,000 units	= $\frac{\text{MYR 10,000.00}}{\text{MYR 1.0000}}$ = 10,000 units
Application Fee per unit = NAV per unit x Application Fee (%)	= USD 1.0000 x 5.50% = USD 0.0550	= MYR 1.0000 x 5.50% = MYR 0.0550
Total Application Fee	= 10,000 units x USD 0.0550 = USD 550.00	= 10,000 units x MYR 0.0550 = MYR 550.00

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

Nil.

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

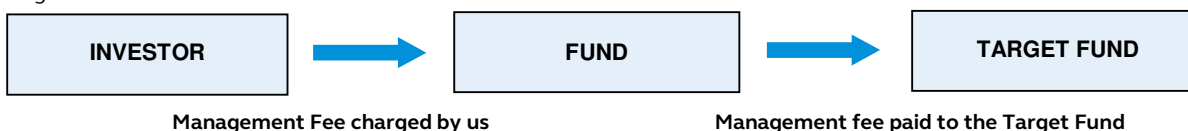
Please note that the Management Fee is charged to the respective Class at the Class level, based on the NAV of the Class. Please refer to the Annexure of the respective Class for further information. The Management Fee shall be accrued daily and paid monthly.

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

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

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

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



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

As this 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 32 for details on the Target Fund's management fee.

3.2.2. Trustee Fee

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

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

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

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

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

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 32.

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 hariah 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; and
- cost of obtaining experts opinion by the Trustee and us for the benefit of the Fund or Class.

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

- 3.2.5.** We and the Trustee are required to ensure that any fees or charges payable are reasonable and in accordance with the Deed which stipulates the maximum rate in percentage terms that can be charged. We will ensure that there is no double charging of management 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:

- **Collective investment scheme**
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**
Valuation of tradable money market instruments such as repurchase agreements shall be determined each day by reference to the principal value of such authorised investments and the accrued income for the relevant period.
- **Deposits**
The value of Deposits shall be determined each day by reference to its principal value and its accrued income for the relevant period.
- **Derivatives**
The value of unlisted derivatives will be determined by the financial institution that issued the instrument and that value will be the fair value as determined in good faith by us on methods or basis which have been verified by the auditor of the Fund and approved by the Trustee.

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

If the value of the Fund's assets is denominated in a foreign currency, the assets are translated on a daily basis to USD based on the bid foreign exchange rate quoted by either Reuters or Bloomberg, at UK time 4:00 p.m. 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.

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., 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. 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. USD. As such, all the assets and liabilities of each Class will be translated into USD for valuation purposes. The foreign exchange rate used for this purpose shall be the bid exchange rate quoted by Bloomberg or Reuters at UK time 4:00 p.m. 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 USD) of the respective Class by the NAV of the Fund before income and expenses for the day. The apportionment is expressed as a ratio and calculated as a percentage.

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

	Fund (USD)	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in MYR) (USD)
NAV of the Fund before income and expenses	185,942,897	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	(204)	0.04% p.a. (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		USD 1.0197	MYR 1.4400

	Fund (USD)	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in MYR) (USD)
NAV of the Fund before creation of units for the day	185,954,423	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		USD 1.0197	MYR 1.4400

⁽¹⁾ MCR computation

	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in MYR) (USD)
NAV of the Class x 100	<u>173,342,897 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:

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

⁽³⁾ Creation of units

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

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

4.3. INCORRECT PRICING

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

- a) in the event of over valuation and/or pricing, we shall reimburse:
 - (i) the Fund for any 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 USD10.00 (or the same value in the respective Class currency) or more to be reimbursed to a Unit holder for each sale or withdrawal transaction.

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

4.4. INVESTING

4.4.1. Who can invest?

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

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

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

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

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

4.4.2. How to invest?

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

You may invest:

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

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

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

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

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

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

4.5. MINIMUM INVESTMENTS

The minimum initial and additional investment 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., 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 or our head office. There is no restriction on the frequency of withdrawals. We will transfer the withdrawal proceeds to your bank account (or foreign currency bank account, as the case may be) in our records. If we wish to increase the minimum withdrawals, we will consult with the Trustee and you will be notified of such changes before implementation.

4.6.1. Processing a withdrawal

If we receive a complete withdrawal request by 4:00 p.m. on a Business Day, we will process it using the NAV per unit for that Business Day. If we receive the withdrawal request after 4:00 p.m. on a Business Day, we will process it using the NAV per unit

for the next Business Day. The amount that you will receive is calculated by the withdrawal value less the Withdrawal Penalty, if any. Under normal circumstances, you will be paid in the currency of the Class (e.g. Class USD will be paid in USD) within ten (10) 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) days) may be extended/delayed if:

- (i) The calculation of the NAV of the shares of the Target Fund is suspended^{Note 1};
- (ii) The redemption request of the Target Fund is deferred^{Note 2};
- (iii) The dealing of the Fund are temporarily suspended by the Manager^{Note 3}; or
- (iv) There are any unforeseen circumstances that caused a delay in us receiving redemption proceeds, subject to concurrence from Trustee.

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

Note 1: The calculation of NAV of the shares of the Target Fund may be suspended under the circumstances as described in Section 2.5 “Temporary Suspension of the Target Fund” at page 31.

Note 2: The Company may limit the number of shares redeemed on any dealing day to 10% of the NAV of the Target Fund as described in Section 2.6 “Deferral of Redemption” at page 31.

Note 3: The Manager may temporarily suspend the dealing in units of the Classes or Funds, subject to the SC Guidelines and/or the Deed as described in Section 4.11 “Temporary Suspension” at page 42.

Please refer to the respective sections for more information. If in doubt, please consult your professional advisers.

4.7. MINIMUM BALANCE

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

4.8. 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 to deal in unit trust of Principal Malaysia or any of our Distributors 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 or our head office. Currently, there is no restriction on the frequency of switches. However, we have the discretion to allow or to reject any switching into (or out of) the Fund or Class, either generally (for all Sophisticated 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., 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 an 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 SC Guidelines and/or the Deed. Please note that during the suspension period, there will be no NAV per unit available and hence, we will not accept any transactions for the applications, withdrawals, switches and/or transfers of units. If we have earlier accepted your request for withdrawals and switches of units, please note that there may be delay in processing those transactions and you will be notified accordingly. You will also be notified once the suspension is lifted.

4.12. DISTRIBUTION PAYMENT

Depending on the distribution policy of the respective Class, distribution (if any) will be made at the end of each distribution period to the Classes according to its distribution policy. Each unit of the Class will receive the same distribution for a distribution period regardless of when those units were purchased. The distribution amount you will receive is in turn calculated by multiplying the total number of units held by you in the Class by the cent per unit distribution amount. 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, for income distribution payout to you, if any, which remain unclaimed for six (6) months will be reinvested into the Class within thirty (30) Business Days after the expiry of the cheque's validity period based on the prevailing NAV per unit on the day of the reinvestment in circumstances where you still hold units of the Class. As for income distribution payout by bank transfer, if any, shall be transmitted to your valid and active bank account. If the bank transfer remained unsuccessful and unclaimed for six (6) months, it will be reinvested into the Class within thirty (30) Business Days after the six (6) months period based on the prevailing NAV per unit on the day of the reinvestment in circumstances where you still holds units of the Class. No Application Fee is payable for the reinvestment. In the event that you no longer hold any unit in the Class, the distribution money would be subject to the treatment mentioned in the above paragraph as prescribed by the UMA.

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

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

5. ADDITIONAL INFORMATION

5.1. FINANCIAL YEAR-END

31 Aug.

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 annual report is available upon request.

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. 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 HSBC Portfolios Prospectus dated March 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 (formerly known as CIMB-Principal Islamic Asset Management Sdn Bhd)
		Indirect	CIMB-Mapletree Management Sdn Bhd

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 Malaysia holds a Capital Markets Services License for fund management and dealing in securities restricted to unit trust under the CMSA and specialises in managing and operating unit trusts for investors, both institutional and retail. Principal Malaysia's responsibilities include managing investment portfolios by providing fund management services to insurance companies, pension funds, unit trust companies, corporations and government institutions in Malaysia. In addition, Principal Malaysia is an approved private retirement scheme provider in Malaysia. It originally commenced its operations as a unit trust company in November 1995. As at LPD, Principal Malaysia has more than 23 years of experience in the unit trust industry. The shareholders of Principal Malaysia are PIA and CIMB Group.

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

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

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

- maintaining a register of Unit holders;
- implementing the appropriate investment strategies to achieve the Fund's investment objectives;
- ensuring that the Fund has sufficient holdings in liquid assets;
- arranging for the sale and repurchase of units;
- calculating the amount of income to be distributed to Unit holders, if any; and
- maintaining proper records of the Fund.

As at LPD, there is no litigation or arbitration 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 Chang joined Principal Malaysia on 22 February 2016 and currently holds the positions of CIO, Malaysia and CIO Equities, ASEAN Region effective 1 October 2018. He comes with more than 18 years of experience in asset management 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 oversees ASEAN equities for both Malaysian and offshore clients from 2012. Prior to that, he served as Senior Vice President for Principal Malaysia where he specialized in Malaysia, ASEAN and Asia specialist funds. He also worked as a portfolio manager at Riggs and Co International Private Banking in London specializing in managing global ETF portfolios and holds the Capital Markets Services Representative License.
Qualifications:	MSc Finance from City University Business School and BSc Accounting and Financial Analysis from University of Warwick, UK.

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

7. THE TRUSTEE

7.1. ABOUT HSBC (MALAYSIA) TRUSTEE BERHAD

HSBC (Malaysia) Trustee Berhad (1281-T) is a company incorporated in Malaysia since 1937 and registered as a trust company under the Trust Companies Act 1949, with its registered address at 13th Floor, Bangunan HSBC, South Tower, No. 2, Leboh Ampang, 50100 Kuala Lumpur. Since 1993, the Trustee has acquired experience in the administration of trusts and has been appointed as trustee for unit trust funds, exchange traded funds, wholesale funds and funds under private retirement scheme.

The Trustee's main functions are to act as trustee and custodian of the assets of the Fund and to safeguard the interests of Unit holders of the Fund. In performing these functions, the Trustee has to exercise all due care, diligence and vigilance and is required to act in accordance with the provisions of the Deed, CMSA and the SC Guidelines. Apart from being the legal owner of the Fund's assets, the Trustee is also responsible for ensuring that the Manager performs its duties and obligations in accordance with the provisions of the Deed, CMSA and the SC Guidelines. In respect of monies paid by an investor for the application of units, the Trustee's responsibility arises when the monies are received in the relevant account of the Trustee for the Fund and in respect of redemption, the Trustee's responsibility is discharged once it has paid the redemption amount to the Manager.

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

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

The Trustee shall be entitled to process, transfer, release and disclose from time to time any information relating to the Fund, Manager and Unit holders for purposes of performing its duties and obligations in accordance to the Deed, the CMSA, SC Guidelines and any other legal and/or regulatory obligations such as conducting financial crime risk management, to the Trustee's parent company, subsidiaries, associate companies, affiliates, delegates, service providers, agents and any governing or regulatory authority, whether within or outside Malaysia (who may also subsequently process, transfer, release and disclose such information for any of the above mentioned purposes) on the basis that the recipients shall continue to maintain the confidentiality of information disclosed, as required by law, regulation or directive, or in relation to any legal action, or to any court, regulatory agency, government body or authority.

7.1.1. Trustee's delegate

The Trustee has appointed the Hongkong and Shanghai Banking Corporation Ltd as the custodian of both the local and foreign assets of the Fund. For quoted and unquoted local investments of the Fund, the assets are held through their nominee company, HSBC Nominees (Tempatan) Sdn Bhd. The Hongkong and Shanghai Banking Corporation Ltd is a wholly owned subsidiary of HSBC Holdings Plc, the holding company of the HSBC Group. The custodian's comprehensive custody and clearing services cover traditional settlement processing and safekeeping as well as corporate related services including cash and security reporting, income collection and corporate events processing. All investments are registered in the name of the Trustee for the Fund or to the order of the Trustee. The custodian acts only in accordance with instructions from the Trustee. The Trustee shall be responsible for the acts and omissions of its delegate as though they were its own acts and omissions.

However, the Trustee is not liable for the acts, omissions or failure of third party depository such as central securities depositories, or clearing and/or settlement systems and/or authorised depository institutions, where the law or regulation of the relevant jurisdiction requires the Trustee to deal or hold any asset of the Fund through such third parties.

7.1.2. Material Litigation and Arbitration

As at LPD, the Trustee is not engaged in any material litigation and arbitration, including those pending or threatened, and is not aware of any facts likely to give rise to any proceedings which might materially affect the business/financial position of the Trustee and any of its delegates.

7.1.3. Trustee's Statement of Responsibility

The Trustee has given its willingness to assume the position as Trustee of the Fund and all the obligations in accordance with the Deed, all relevant laws and rules of law. The Trustee shall be entitled to be indemnified out of the Fund against all losses, damages or expenses incurred by the Trustee in performing any of its duties or exercising any of its powers under this Deed in relation to the Fund. The right to indemnity shall not extend to loss occasioned by breach of trust, wilful default, negligence, fraud or failure to show the degree of care and diligence required of the Trustee having regard to the provisions of the Deed.

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

ANNEXURE – CLASS USD

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

CLASS INFORMATION

	PWS-CF	PWS-MCF	PWS-MF	PWS-MAF	PWS-AF	Page
Currency denomination	USD					
Distribution policy	Quarterly, depending on the availability of realised income and/or realised gains and at our discretion.					42

FEES & CHARGES

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

Charges	PWS-CF	PWS-MCF	PWS-MF	PWS-MAF	PWS-AF	Page
Application Fee	Up to 5.50% of the NAV per unit.					34
Withdrawal Penalty	Nil.					34
Switching Fee	Switching is treated as a withdrawal from Class USD 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 Class USD and the Application Fee of the other Class or Principal Malaysia's fund (or its class). Switching Fee will not be charged if the Class or Principal Malaysia's fund (or its class) to be switched into has a lower Application Fee. In addition, we may impose USD35 administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fees with us or our Distributors. We also have the discretion to waive the Switching Fee and/or administrative fees.					34
Transfer Fee	A maximum of USD15 may be charged for each transfer.					34
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.					

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

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

Fees	PWS-CF	PWS-MCF	PWS-MF	PWS-MAF	PWS-AF	Page
Management Fee	Up to 1.20%	Up to 1.50%	Up to 1.50%	Up to 1.80%	Up to 1.80%	35
	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).					35
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.					36
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.					35

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

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

TRANSACTION INFORMATION

	PWS-CF	PWS-MCF	PWS-MF	PWS-MAF	PWS-AF	Page
Minimum initial investment	USD 2,000 or such other amount as we may decide from time to time.					40
Minimum additional investment	USD 1,000 or such other amount as we may decide from time to time.					40
Minimum withdrawal	1,000 units or such other amount as we may decide from time to time.					40
Minimum balance	2,000 units or such other amount as we may decide from time to time.					41
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>					41
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.					41
Cooling-off period	Six (6) Business Days from the date the application form is received and accepted by us or our Distributors from the first time investor. However, Principal Malaysia's staff and person(s) registered to deal in unit trust of Principal Malaysia or any Distributors are not entitled to the cooling-off right.					41

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 AUD - HEDGED

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

CLASS INFORMATION

	PWS-CF	PWS-MCF	PWS-MF	PWS-MAF	PWS-AF	Page
Currency denomination	AUD					
Distribution policy	Quarterly, depending on the availability of realised income and/or realised gains and at our discretion.					42

FEES & CHARGES

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

Charges	PWS-CF	PWS-MCF	PWS-MF	PWS-MAF	PWS-AF	Page
Application Fee	Up to 5.50% of the NAV per unit.					34
Withdrawal Penalty	Nil.					34
Switching Fee	Switching is treated as a withdrawal from Class AUD-Hedged 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 Class AUD-Hedged and the Application Fee of the other Class or Principal Malaysia's fund (or its class). Switching Fee will not be charged if the Class or Principal Malaysia's fund (or its class) to be switched into has a lower Application Fee. In addition, we may impose AUD35 administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fees with us or our Distributors. We also have the discretion to waive the Switching Fee and/or administrative fees.					34
Transfer Fee	A maximum of AUD15 may be charged for each transfer.					34
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.					

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

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

Fees	PWS-CF	PWS-MCF	PWS-MF	PWS-MAF	PWS-AF	Page
Management Fee	Up to 1.20%	Up to 1.50%	Up to 1.50%	Up to 1.80%	Up to 1.80%	35
	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).					35
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.					36
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.					35

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

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

TRANSACTION INFORMATION

	PWS-CF	PWS-MCF	PWS-MF	PWS-MAF	PWS-AF	Page
Minimum initial investment	AUD 2,000 or such other amount as we may decide from time to time.					40
Minimum additional investment	AUD 1,000 or such other amount as we may decide from time to time.					40
Minimum withdrawal	1,000 units or such other amount as we may decide from time to time.					40
Minimum balance	2,000 units or such other amount as we may decide from time to time.					41
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>					41
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.					41
Cooling-off period	Six (6) Business Days from the date the application form is received and accepted by us or our Distributors from the first time investor. However, Principal Malaysia's staff and person(s) registered to deal in unit trust of Principal Malaysia or any Distributors are not entitled to the cooling-off right.					41

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 GBP - HEDGED

This section is only a summary of the salient information about Class GBP-Hegded. 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

	PWS-CF	PWS-MCF	PWS-MF	PWS-MAF	PWS-AF	Page
Currency denomination	GBP					
Distribution policy	Quarterly, depending on the availability of realised income and/or realised gains and at our discretion.					42

FEES & CHARGES

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

Charges	PWS-CF	PWS-MCF	PWS-MF	PWS-MAF	PWS-AF	Page
Application Fee	Up to 5.50% of the NAV per unit.					34
Withdrawal Penalty	Nil.					34
Switching Fee	Switching is treated as a withdrawal from Class GBP-Hegded 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 Class GBP-Hegded 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 GBP35 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.					34
Transfer Fee	A maximum of GBP15 may be charged for each transfer.					34
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.					

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

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

Fees	PWS-CF	PWS-MCF	PWS-MF	PWS-MAF	PWS-AF	Page
Management Fee	Up to 1.20%	Up to 1.50%	Up to 1.50%	Up to 1.80%	Up to 1.80%	35
	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).					35
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.					36
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.					35

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

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

TRANSACTION INFORMATION

	PWS-CF	PWS-MCF	PWS-MF	PWS-MAF	PWS-AF	Page
Minimum initial investment	GBP 2,000 or such other amount as we may decide from time to time.					40
Minimum additional investment	GBP 1,000 or such other amount as we may decide from time to time.					40
Minimum withdrawal	1,000 units or such other amount as we may decide from time to time.					40
Minimum balance	2,000 units or such other amount as we may decide from time to time.					41
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>					41
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.					41
Cooling-off period	Six (6) Business Days from the date the application form is received and accepted by us or our Distributors from the first time investor. However, Principal Malaysia's staff and person(s) registered to deal in unit trust of Principal Malaysia or any Distributors are not entitled to the cooling-off right.					41

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

	PWS-CF	PWS-MCF	PWS-MF	PWS-MAF	PWS-AF	Page
Currency denomination	MYR					
Distribution policy	Quarterly, depending on the availability of realised income and/or realised gains and at our discretion.					42

FEES & CHARGES

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

Charges	PWS-CF	PWS-MCF	PWS-MF	PWS-MAF	PWS-AF	Page
Application Fee	Up to 5.50% of the NAV per unit.					34
Withdrawal Penalty	Nil.					34
Switching Fee	Switching is treated as a withdrawal from Class MYR-Hedged 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 Class MYR-Hedged 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.					34
Transfer Fee	A maximum of MYR50 may be charged for each transfer.					34
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.					

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

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

Fees	PWS-CF	PWS-MCF	PWS-MF	PWS-MAF	PWS-AF	Page
Management Fee	Up to 1.20%	Up to 1.50%	Up to 1.50%	Up to 1.80%	Up to 1.80%	35
	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).					35
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.					36
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.					35

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

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

TRANSACTION INFORMATION

	PWS-CF	PWS-MCF	PWS-MF	PWS-MAF	PWS-AF	Page
Minimum initial investment	MYR 10,000 or such other amount as we may decide from time to time.					40
Minimum additional investment	MYR 5,000 or such other amount as we may decide from time to time.					40
Minimum withdrawal	5,000 units or such other amount as we may decide from time to time.					40
Minimum balance	10,000 units or such other amount as we may decide from time to time.					41
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>					41
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.					41
Cooling-off period	Six (6) Business Days from the date the application form is received and accepted by us or our Distributors from the first time investor. However, Principal Malaysia's staff and person(s) registered to deal in unit trust of Principal Malaysia or any Distributors are not entitled to the cooling-off right.					41

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 SGD - HEDGED

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

CLASS INFORMATION

	PWS-CF	PWS-MCF	PWS-MF	PWS-MAF	PWS-AF	Page
Currency denomination	SGD					
Distribution policy	Quarterly, depending on the availability of realised income and/or realised gains and at our discretion.					42

FEES & CHARGES

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

Charges	PWS-CF	PWS-MCF	PWS-MF	PWS-MAF	PWS-AF	Page
Application Fee	Up to 5.50% of the NAV per unit.					34
Withdrawal Penalty	Nil.					34
Switching Fee	Switching is treated as a withdrawal from Class SGD-Hedged 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 Class SGD-Hedged 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.					34
Transfer Fee	A maximum of SGD15 may be charged for each transfer.					34
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.					

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

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

Fees	PWS-CF	PWS-MCF	PWS-MF	PWS-MAF	PWS-AF	Page
Management Fee	Up to 1.20%	Up to 1.50%	Up to 1.50%	Up to 1.80%	Up to 1.80%	35
	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).					35
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.					36
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.					35

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

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

TRANSACTION INFORMATION

	PWS-CF	PWS-MCF	PWS-MF	PWS-MAF	PWS-AF	Page
Minimum initial investment	SGD 2,000 or such other amount as we may decide from time to time.					40
Minimum additional investment	SGD 1,000 or such other amount as we may decide from time to time.					40
Minimum withdrawal	1,000 units or such other amount as we may decide from time to time.					40
Minimum balance	2,000 units or such other amount as we may decide from time to time.					41
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>					41
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.					41
Cooling-off period	Six (6) Business Days from the date the application form is received and accepted by us or our Distributors from the first time investor. However, Principal Malaysia's staff and person(s) registered to deal in unit trust of Principal Malaysia or any Distributors are not entitled to the cooling-off right.					41

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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