

SECOND SUPPLEMENTAL MASTER PROSPECTUS

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

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

This Second Supplemental Master Prospectus dated 29 August 2025 is to be read in conjunction with the Master Prospectus Issue No. 24 dated 10 July 2023 as amended by the First Supplemental Master Prospectus dated 27 October 2023 ("Master Prospectus").

This Second Supplemental Master Prospectus is dated 29 August 2025 and incorporates the following 17 Funds namely:

Equity Funds

Principal Malaysia Titans Fund	21 July 1995
Principal Malaysia Enhanced Opportunities Fund	23 November 2001
Principal Malaysia Opportunities Fund	10 March 1998
Principal Titans Growth & Income Fund	12 April 1991
Principal Titans Income Plus Fund	23 November 2001
Principal Small Cap Opportunities Fund	8 April 2004

Constitution Date

Mixed Asset Funds

Principal Lifetime Balanced Fund	10 March 1998
Principal Lifetime Balanced Income Fund	4 August 1995
Principal Dynamic Enhanced Malaysia Income Fund	10 March 1998

Fixed Income Funds

Principal Lifetime Bond Fund	7 November 1995
Principal Lifetime Enhanced Bond Fund	20 January 2004

Regional & Global Funds

Principal Asia Titans Fund	8 November 2005
Principal China-India-Indonesia Opportunities Fund	16 December 2009
Principal Greater Bay Fund	28 August 2019
Principal China Direct Opportunities Fund	22 January 2018
Principal US High Conviction Equity Fund	20 August 2021
Principal Asia Pacific Renewables Fund	25 November 2021

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE MASTER PROSPECTUS AND THIS SECOND SUPPLEMENTAL MASTER PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER. FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 44 OF THE MASTER PROSPECTUS.

PRINCIPAL ASIA PACIFIC RENEWABLES FUND IS A QUALIFIED SUSTAINABLE AND RESPONSIBLE INVESTMENT FUND UNDER THE GUIDELINES ON SUSTAINABLE AND RESPONSIBLE INVESTMENT FUNDS.

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RESPONSIBILITY STATEMENTS

This Second Supplemental Master Prospectus has been reviewed and approved by the directors of the Principal Malaysia and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in this Second Supplemental Master Prospectus false or misleading.

STATEMENTS OF DISCLAIMER

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

The authorisation of the Funds, and registration of this Second Supplemental Master Prospectus, should not be taken to indicate that the Securities Commission Malaysia recommends the Funds or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in the Master Prospectus or this Second Supplemental Master Prospectus.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of Principal Malaysia who is responsible for the Funds and takes no responsibility for the contents in this Second Supplemental Master Prospectus. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Second Supplemental Master Prospectus, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

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

ADDITIONAL STATEMENTS

You should note that you may seek recourse under the *Capital Markets and Services Act 2007* for breaches of securities laws including any statement in this Second Supplemental Master Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Second Supplemental Master Prospectus or the conduct of any other person in relation to the Funds.

INVESTORS SHOULD BE AWARE THAT THE CAPITAL OF TI-TIP, LI-B, LI-BI, DY-DEMI, LI-BO AND LI-EIB WILL BE ERODED WHEN TI-TIP, LI-B, LI-BI, DY-DEMI, LI-BO AND LI-EIB DECLARES DISTRIBUTION OUT OF CAPITAL AS THE DISTRIBUTION IS ACHIEVED BY FORGOING THE POTENTIAL FOR FUTURE CAPITAL GROWTH AND THIS CYCLE MAY CONTINUE UNTIL ALL CAPITAL IS DEPLETED.

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1.0. GENERAL

- 1.1 This Second Supplemental Master Prospectus is issued to reflect the amendments made to the Master Prospectus as stated under paragraphs 1.4, 1.5, 2, 3, 4, 5, 6, 7 and 8.
- 1.2 All terms used in this Second Supplemental Master Prospectus shall have the same meanings as those defined in the Definitions Chapter of the Master Prospectus unless where the context otherwise requires.
- 1.3 Save and except for paragraphs 2.1, 5.1 and 5.2, all information provided herein is practicable as at 31 March 2025 and shall remain current and relevant as at such date. The amendments as set out in paragraphs 2.1, 5.1 and 5.2 will take effect on the date of this Second Supplemental Master Prospectus.
- 1.4 The information on Principal KLCH-Linked Fund and Principal Asia Dynamic Bond Fund has been deleted in its entirety following their respective terminations on 3 April 2024 and 3 October 2024.
- 1.5 All references to “service@principal.com.my” and “goinvest@principal.com.my” in the Master Prospectus shall be amended to “myservice@principal.com” and “mygoinvest@principal.com” respectively.

2.0. DEFINITIONS

- 2.1. The following definitions have been inserted under the section of “**Definitions**” at page iii:

Bloomberg	- Bloomberg LP.
IHS Markit	- IHS Markit Ltd.

3.0. CORPORATE DIRECTORY

- 3.1. The corporate information of “The Manager” under the section of “**Corporate Directory**” at page vi has been replaced and read as below:

The Manager

Principal Asset Management Berhad

Business/Registered address

Level 32, Exchange 106, Lingkaran TRX
55188 Tun Razak Exchange
Kuala Lumpur MALAYSIA
Tel : (603) 8680 8000

Customer Care Centre

Level 31, Exchange 106, Lingkaran TRX
55188 Tun Razak Exchange
Kuala Lumpur MALAYSIA
Tel : (603) 7723 7260
WhatsApp : (6016) 299 9792

Website

www.principal.com.my

E-mail

myservice@principal.com
mygoinvest@principal.com (for Class D only)

- 3.2. The business/registered address of the “Sub-Manager for TI-AT and OP-CIIO” under the section of “**Corporate Directory**” at page vi has been replaced and read as below:

Business/Registered address

One Raffles Quay
North Tower #37-01
Singapore 048583
Tel : (65) 6031 0811

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4.0. FUNDS INFORMATION

- 4.1. The information on “Benchmark” under the section of “**Principal US High Conviction Equity Fund**” at page 33 has been replaced as the Fund’s investment strategy focuses on smaller capitalization U.S. equities with a significant and persistent emphasis on higher growth companies and sectors. As such, a growth-oriented benchmark is more representative of the Fund’s style profile and risk profile over time. The disclosure now reads as below:

Benchmark : MSCI U.S Small Cap Growth Index

- 4.2. The first bullet point on “Regional & Global Funds” under the section of “**Permitted Investments**” at page 38 has been replaced and read as below:

- Equities and debt securities traded in or under the rules of an Eligible Market (not applicable to Principal US High Conviction Equity Fund).

- 4.3. The eleventh bullet point on “Regional & Global Funds” under the section of “**Permitted Investments**” at page 38 has been replaced and read as below:

- Equities traded in or under the rules of an Eligible Market (only applicable to Principal US High Conviction Equity Fund).

5.0. TRANSACTION INFORMATION

- 5.1. The second bullet point under the section of “**Valuation of Investments Permitted by the Funds**” at page 54 has been replaced and read as below:

- **Unlisted equities**
The valuation of equities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing or quotation and are offered directly to the Fund by the issuer shall be valued daily at the issue price of such equities. The value will be determined by the issuer that issued the instrument.

- 5.2. A new bullet point has been inserted after the second bullet point under the section of “**Valuation of Investments Permitted by the Funds**” at page 54 and read as below:

- **Unlisted debt securities**
The value of any unlisted MYR-denominated debt securities shall be calculated on a daily basis using prices quoted by a bond pricing agency (BPA) registered with the SC. Where we are of the view that the price quoted by the BPA for a specific unquoted debt securities differs from the market price by more than 20 basis points, we may propose a fair value price, provided that we obtain necessary internal approvals to use the non-BPA price and keep an audit trail of the basis for determining the fair value of the investment. The basis for determining the fair value of the investment should be approved by the Trustee (after appropriate technical consultation) and is documented.

For **TI-AT, TI-TIP, LI-BI, DY-DEMI, LI-BO and LI-EIB**, the value of any unlisted non MYR-denominated debt securities shall be calculated daily using prices quoted by ICE, Refinitiv, IHS Markit Ltd or Bloomberg, dependent on market using their proprietary methodology. The bond prices are calculated using prices contributed by financial institutions and other market inputs, including benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data (e.g. corporate action announcements and ratings). Where the prices are not available on any Business Day, these debt securities will be valued by reference to the average indicative yield quoted by three (3) independent and reputable financial institutions. However, where quotations are still not available, such unlisted non MYR-denominated debt securities will be valued daily at a fair price determined in good faith by us, based on the methods or bases which have been verified by the auditor of the Fund and approved by the Trustee.

- 5.3. The textbox under the section of “**Who is distributing these Funds?**” at page 59 has been replaced and read as below:

You should not make any payment directly or indirectly to any individual agent or employee of the Manager or issue a cheque in the name of an individual agent or employee of the Manager when purchasing the Funds.

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- 5.4. The fifth paragraph under the section of “**Distribution Payment**” at page 64 has been replaced and read as below:

TI-TIP, LI-B, LI-BI, DY-DEMI, LI-BO and LI-EIB may distribute from realised income, realised capital gains, unrealised income, unrealised capital gains, capital or combination of any of the above. Distributions are at our discretion and are not guaranteed, and the making of any distribution does not imply that further distributions will be made and we reserve the right to vary the frequency and/or amount of distributions. Distribution out of capital is to allow the Fund the ability to distribute more income or to pursue the investment strategy of the Fund. The effects of making distribution out of capital has a risk of eroding the capital of the Fund.

- 5.5. The information under the section of “**Unclaimed Moneys**” at page 64 has been replaced and read as below:

Any moneys payable to you which remain unclaimed after two (2) years as prescribed by Unclaimed Moneys Act 1965 (“UMA”), will be surrendered to the Registrar of Unclaimed Moneys by us in accordance with the requirements of the UMA. Thereafter, all claims need to be made by you with the Registrar of Unclaimed Moneys.

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

6.0. ADDITIONAL INFORMATION

- 6.1. The textbox under the section of “**Information on Your Investment**” at page 65 has been replaced and read as below:

The Fund's annual report is available upon request

- 6.2. The last paragraph under the section of “**Information on your investment**” at page 66 has been replaced and read as below:

If you wish to write-in, please address your letter to:

Principal Asset Management Berhad
Customer Care Centre
Level 31, Exchange 106, Lingkaran TRX
55188 Tun Razak Exchange
Kuala Lumpur MALAYSIA

- 6.3. The information under the section “**Deeds**” at page 66 has been replaced and read as below:

This table describes the Deeds governing the Funds.

	Deeds
Equity Funds	• Master Deed dated 15 May 2008 • First Supplemental Deed dated 25 June 2008 • Second Supplemental Master Deed dated 25 June 2008 • Third Supplemental Master Deed dated 14 July 2008
Mixed Asset Funds	• Fourth Supplemental Master Deed dated 18 March 2009 • Fifth Supplemental Master Deed dated 16 July 2009 • Sixth Supplemental Master Deed dated 16 December 2009 • Seventh Supplemental Master Deed dated 11 February 2010

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Fixed Income Funds	• Eighth Supplemental Master Deed dated 14 June 2010 • Ninth Supplemental Master Deed dated 25 November 2010 • Thirteenth Supplemental Master Deed dated 26 June 2012 • Fourteenth Supplemental Master Deed dated 21 September 2012 • Eighteenth Supplemental Master Deed dated 25 March 2015. • Nineteenth Supplemental Master Deed dated 11 May 2016. • Twentieth Supplemental Master Deed dated 21 October 2019 • Twenty Third Supplemental Master Deed dated 27 June 2022 • Twenty Fourth Supplemental Master Deed dated 13 January 2023 • Twenty Fifth Supplemental Master Deed dated 26 May 2023 • Twenty Sixth Supplemental Master Deed dated 25 March 2025
Regional & Global Funds	<u>For GBAY:</u> • Master Deed dated 28 August 2019 • First Supplemental Deed dated 10 January 2023 <u>For OP-CDO:</u> • Master Deed dated 22 January 2018 • First Supplemental Deed dated 7 November 2019 • Second Supplemental Deed dated 10 January 2023 <u>For UHCE:</u> • Master Deed dated 20 August 2021 • First Supplemental Deed dated 10 January 2023 <u>For APRE:</u> • Master Deed dated 25 November 2021 • First Supplemental Deed dated 10 January 2023

7.0. THE MANAGER

- 7.1. The information under the section of “**Designated Person Responsible for Fund Management Function**” at page 69 has been replaced and read as below:

Name:	Lee Chun Hong
Designation:	Chief Investment Officer, Equities – Malaysia
Experience:	Chun Hong has more than 19 years of experience in fund management and equity research. He joined Principal Malaysia in 2017 to manage unit trust funds and institutional mandates covering Malaysian and ASEAN markets. Prior to that, he was attached to Libra Invest Berhad, managing and supervising Unit Trust and Research divisions that covered ASEAN and China-Hong Kong markets. He commenced his career in fund management industry at Public Mutual Berhad. He had research responsibilities for regional plantation and consumer sectors, as well as research country coverage of ASEAN markets. Subsequently, he moved on to portfolio management specialising in ASEAN markets. He started covering ASEAN markets since 2010. He was also previously with PricewaterhouseCoopers as an auditor.
Qualifications:	▪ Bachelor of Commerce (Accounting & Finance) - Monash University, Clayton Campus. ▪ A CFA Charterholder. ▪ Ex-member of CPA Australia.

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

8.0. TAXATION REPORT

- 8.1. The information under the section of “**Taxation Report**” at page 87 to 92 has been replaced and read as below:

Ernst & Young Tax Consultants Sdn Bhd
Level 23A Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara

26 March 2025

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50490 Kuala Lumpur

The Board of Directors
Principal Asset Management Berhad
Level 32, Exchange 106,
Lingkaran TRX,
55188 Tun Razak Exchange
Kuala Lumpur, Malaysia

Dear Sirs

Taxation of the unit trust fund and unit holders

This letter has been prepared for inclusion in this Second Supplemental Master Prospectus in connection with the offer of units in the unit trust managed by Principal Asset Management Berhad as listed in Attachment (hereinafter referred to as “the Fund”).

The purpose of this letter is to provide prospective unit holders with an overview of the impact of taxation on the Fund and the unit holders.

Taxation of the Fund

The taxation of the Fund is subject to the provisions of the Malaysian Income Tax Act 1967 (MITA), particularly Sections 61 and 63B.

Subject to certain exemptions, the income of the Fund comprising profits and other investment income derived from or accruing in Malaysia after deducting tax allowable expenses, is subject to Malaysian income tax at the rate of 24% with effect from the year of assessment 2016.

Tax allowable expenses would comprise expenses falling under Section 33(1) and Section 63B of the MITA. Section 33(1) permits a deduction for expenses that are wholly and exclusively incurred in the production of gross income. In addition, Section 63B allows unit trusts a deduction for a portion of other expenses (referred to as “permitted expenses”) not directly related to the production of income, as explained below.

“Permitted expenses” refer to the following expenses incurred by the Fund which are not deductible under Section 33(1) of the MITA:

- the manager’s remuneration,
- maintenance of the register of unit holders,
- share registration expenses,
- secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage.

These expenses are given a partial deduction under Section 63B of the MITA, based on the following formula:

$$A \times \frac{B}{4C}$$

- where
- | | |
|---|---|
| A | is the total of the permitted expenses incurred for that basis period; |
| B | is gross income consisting of dividend ¹ , interest and rent chargeable to tax for that basis period; and |
| C | is the aggregate of the gross income consisting of dividend ¹ and interest (whether such dividend or interest is exempt or not) and rent, and gains made from the realisation of investments (whether chargeable to tax or not) for that basis period, |

provided that the amount of deduction to be made shall not be less than 10% of the total permitted expenses incurred for that basis period.

Exempt income

The following income of the Fund is exempt from income tax:

¹ Pursuant to Section 15 of the Finance Act 2011, with effect from the year of assessment 2011, dividend income is deemed to include income distributed by a unit trust which includes distributions from Real Estate Investment Trusts.

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- **Malaysian sourced dividends**

All Malaysian-sourced dividends should be exempt from income tax.

- **Malaysian sourced interest**

- (i) interest from securities or bonds issued or guaranteed by the Government of Malaysia;
- (ii) interest from debentures or *sukuk*, other than convertible loan stock, approved or authorized by, or lodged with, the Securities Commission;
- (iii) interest from Bon Simpanan Malaysia issued by Bank Negara Malaysia;
- (iv) interest derived from Malaysia and paid or credited by banks licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013²;
- (v) interest derived from Malaysia and paid or credited by any development financial institution prescribed under the Development Financial Institutions Act 2002³;
- (vi) interest from *sukuk* originating from Malaysia, other than convertible loan stock, issued in any currency other than Ringgit and approved or authorized by, or lodged with, the Securities Commission or approved by the Labuan Financial Services Authority (LFSA)⁴; and
- (vii) interest which is specifically exempted by way of statutory orders or any other specific exemption provided by the Minister.

- **Discount**

Tax exemption is given on discount paid or credited to any unit trust in respect of investments as specified in items (i), (ii) and (iii) above.

Foreign-sourced income (FSI)

Pursuant to the Finance Act 2021, income derived by a resident person from sources outside Malaysia and received in Malaysia from 1 January 2022 will no longer be exempt from tax.

Based on the Malaysian Inland Revenue Board's "Guidelines on Tax Treatment in Relation to Income Received from Abroad (Amendment)" updated on 20 June 2024, the term "received in Malaysia" means transferred or brought into Malaysia, either by way of cash⁴ or electronic funds transfer⁵.

FSI received in Malaysia during the transitional period from 1 January 2022 to 30 June 2022 will be taxed at 3% of gross. From 1 July 2022 onwards, FSI received in Malaysia will be taxed at the prevailing tax rate(s) of the taxpayer and based on applicable tax rules. Bilateral or unilateral tax credits may be allowed if the same income has suffered foreign tax⁶, and where relevant conditions are met.

The Income Tax (Unit Trust in relation to Income Received In Malaysia from Outside Malaysia) (Exemption) Order 2024 [P.U.(A) 250] has been issued to exempt a "qualifying unit trust"⁷ from the payment of income tax in respect of gross income from all sources of income under Section 4 of the MITA (including capital gains classified under Section 4(aa)), which is received in Malaysia from outside Malaysia.

² Effective from 1 January 2019, the income tax exemption for a unit trust fund, pursuant to Paragraph 35A, Schedule 6 of the Income Tax Act, 1967 shall not apply to a wholesale fund which is a money market fund.

³ Effective from the year of assessment 2017, the exemption shall not apply to interest paid or credited to a company in the same group or interest paid or credited to a bank licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013; or a development financial institution prescribed under the Development Financial Institutions Act 2002.

⁴ "Cash" in this context is defined as banknotes, coins and cheques.

⁵ "Electronic funds transfer" means bank transfers (e.g., credit or debit transfers), payment cards (debit card, credit card and charge card), electronic money, privately-issued digital assets (e.g., crypto-assets, stablecoins) and central bank digital currency.

⁶ "Foreign tax" includes withholding tax

⁷ "Qualifying unit trust" in this context means a unit trust resident in Malaysia that is:

- (a) managed by a management company;
- (b) has income received in Malaysia from outside of Malaysia; and
- (c) does not include a unit trust which is approved by the Securities Commission as Real Estate Investment Trust or Property Trust Fund listed on Bursa Malaysia.

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This exemption applies to FSI received in Malaysia from 1 January 2024 to 31 December 2026, subject to the following conditions being complied with by the qualifying unit trust or the management company⁸ of the qualifying unit trust:

- The income received in Malaysia has been subject to tax of a similar character to income tax under the laws of territory from which the income arose; and
- The highest rate of tax of a similar character to income tax under the law of that territory at that time is not less than 15%.

OR

The management company of the qualifying unit trust shall employ an adequate number of employees in Malaysia and incur an adequate amount of operating expenditure in Malaysia.

The exemption will not apply to a unit trust carrying on the business of banking, insurance or sea or air transport.

Gains from the realisation of investments

Pursuant to the Finance (No. 2) Act 2023 ("Finance Act"), gains from the realisation of investments by a unit trust would no longer be exempt from tax. Pursuant to Section 61(1)(b) of the MITA, gains arising from the realisation of investments shall be treated as income of a unit trust under Section 4(aa) of MITA, provided that such gains are not related to real property as defined in the Real Property Gains Tax Act 1976. Section 4(aa) provides that gains or profits from the disposal of a capital asset are to be treated as a class of income. The tax imposed on such income under the MITA is commonly referred to as "capital gains tax" (CGT).

Based on the MITA, the following will be subject to Malaysian CGT:

Capital assets situated in Malaysia

- a) Gains or profits from the disposal of shares of a company incorporated in Malaysia not listed on the stock exchange (including any rights or interests thereof) owned by a company, limited liability partnership, trust body or co-operative society
- b) Gains or profits, accruing to a company, limited liability partnership, trust body or co-operative society, on the disposal of shares in foreign incorporated controlled companies deriving value from real property in Malaysia, as determined based on the relevant provisions of the MITA.

Capital assets situated outside Malaysia

- c) Gains or profits from the disposal of movable or immovable property situated outside Malaysia including any rights or interests thereof. Such gains will only be subject to tax when the gains are received in Malaysia.

Note:

Pursuant to the Income Tax (Exemption) (No.3) Order 2024 [P.U.(A) 75], a trust body is exempted from payment of income tax in respect of gains or profits from the disposal of capital asset arising from outside Malaysia which is received in Malaysia. This exemption applies for such disposals from 1 January 2024 to 31 December 2026 subject to the following conditions being complied with by the trust body:

- employ an adequate number of employees in Malaysia with necessary qualifications to carry out the specified economic activities in Malaysia; and
- incur an adequate amount of operating expenditure for carrying out the specified economic activities in Malaysia.

Note that this exemption order applies to companies, limited liability partnerships, co-operative societies and trust bodies, whilst the Income Tax (Unit Trust in relation to Income Received in Malaysia from Outside Malaysia) (Exemption) Order 2024 [P.U.(A) 250] (as referred above) applies specifically to qualifying unit trusts.

The Finance Act provides an effective date of 1 January 2024 for the above changes to the MITA. However, pursuant to the Income Tax (Exemption) (No. 7) Order 2023 [P.U.(A) 410] and the Income Tax (Exemption) (No. 2) Order 2024 [P.U.(A) 57], taxpayers, including a trust body, are exempted from the payment of income tax in respect of any gains or profits received from the disposal of capital assets situated in Malaysia (see Item (a) and (b) above) where such disposals occur between 1 January and 29 February 2024.

⁸ "Management company" means a company licensed by the Securities Commission by which or on whose behalf a unit of a qualifying unit trust –
(a) has been or is proposed to be issued, or offered for subscription or purchase; or
(b) in respect of which an invitation to subscribe or purchase has been made.
and includes any person for the time being exercising the functions of the management company.

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In addition to the above, the Income Tax (Unit Trust) (Exemption) Order 2024 [P.U.(A) 249] exempts a qualifying unit trust⁹ resident in Malaysia from the payment of income tax in respect of any gains or profit received from the disposal of shares of a company incorporated in Malaysia which is not listed on the stock exchange and from the disposal of shares under section 15C of the MITA where such disposals occur between 1 January 2024 to 31 December 2028.

The exemption will not apply to gains or profits from the disposals of capital asset that fall under Section 4(a) of the MITA, as business income.

CGT rates

As noted above, various tax exemptions are available to a qualifying unit trust. For completeness, if exemptions did not apply, the relevant tax rates of the gains of the disposal of capital assets are as below:

	Tax rates
A. Disposal of capital assets situated in Malaysia which was acquired before 1 January 2024 - On chargeable income of the disposal - On gross disposal price	10% 2%
B. Disposal of capital assets situated in Malaysia which was acquired after 1 January 2024 On chargeable income of the disposal	10%
C. Disposal of capital assets situated outside Malaysia On chargeable income of the disposal	24% (prevailing tax rate of a unit trust)

Implementation of Sales and Service Tax (“SST”)

Sales and Service Tax (“SST”) was re-introduced effective 1 September 2018. Sales Tax of 10% (most common rate) or 5% is charged by Malaysian manufacturers of taxable goods or upon importation into Malaysia of such taxable goods, unless specifically exempted under the Sales Tax (Goods Exempted from Tax) Order 2018. Service Tax is charged on certain prescribed taxable services performed by taxable persons as stipulated under Service Tax Regulations 2018. The input tax recovery mechanism under the previous GST regime does not apply to SST. Therefore, any SST incurred is not recoverable and will form a cost element for businesses.

Based on the Service Tax Regulations 2018, a unit trust fund is neither regarded as a taxable person nor as providing taxable services and is therefore not liable for SST registration. Where the Fund incurs expenses such as management fees, the management services provided by asset and fund managers who are licensed or registered with Securities Commission Malaysia for carrying out the regulated activity of fund management under the Capital Markets and Services Act 2007, are specifically excluded from the scope of Service Tax. As for other fees, such as trustee fees and other administrative charges, these may be subject to service tax¹⁰ provided they fall within the scope of service tax (i.e. are provided by a “taxable person”, who exceeds the required annual threshold (in most cases RM 500,000 per annum) and the services qualify as “taxable services”).

Taxation of unit holders

For Malaysian income tax purposes, unit holders will be taxed on their share of the distributions received from the Fund.

The income of unit holders from their investment in the Fund broadly falls under the following categories:

1. taxable distributions; and
2. non-taxable and exempt distributions.

⁹ “Qualifying unit trust” in this context does not include a unit trust which is approved by the Securities Commission as a Real Estate Investment Trust or Property Trust Fund listed on Bursa Malaysia.

¹⁰ Pursuant to Service Tax (Rate of Tax) (Amendment) Order 2024 [P.U. (A) 64], the service tax rate is increased from 6% to 8% with effect from 1 March 2024 on generally all of the taxable services except for provision of food and beverage services, telecommunication services, parking space and logistics services.

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In addition, unit holders may also realise a gain from the sale of units.

The tax implications of each of the above categories are explained below:

1. Taxable distributions

Distributions received from the Fund will have to be grossed up to take into account the underlying tax paid by the Fund and the unit holder will be taxed on the grossed up amount. See however item 2 below on certain distributions which are not taxable to unit holders.

Such taxable distributions carry a tax credit, which will be available for set-off against any Malaysian income tax payable by the unit holder. Should the tax deducted at source exceed the tax liability of the unit holder, the excess is refundable to the unit holders.

Please refer to the paragraph below for the income tax rates applicable to the grossed up distributions.

2. Non-taxable and exempt distributions

Tax exempt distributions made out of gains from the realisation of investments and exempt income earned by the Fund will not be subject to Malaysian income tax in the hands of the unit holders.

A retail money market fund is exempted from tax on its interest income derived from Malaysia, pursuant to Paragraph 35A of Schedule 6 of the MITA. Pursuant to the Finance Act 2021, with effect from 1 January 2022, distributions by a retail money market fund from such tax exempt interest income, to a unit holder other than an individual, will no longer be exempt from tax. The distribution to unit holders other than individuals will be subject to withholding tax at 24%. This would be a final tax for non-residents. Malaysian residents are required to include the distributions in their tax returns and claim a credit in respect of the withholding tax suffered. Individuals will continue to be exempt from tax on such distributions.

As stated above, with effect from 1 January 2024 (1 March 2024 for disposals of shares of a company incorporated in Malaysia not listed on the stock exchange), gains arising from the realisation of investments shall be treated as income of the Fund under Section 4(aa), pursuant to the proviso of Section 61(1)(b) of MITA.¹² However, pursuant to Section 61(1A) of MITA, unit holders will still not be charged to tax on the gains referred to in the proviso to Section 61(1)(b).

Rates of tax

The Malaysian income tax chargeable on the unit holders would depend on their tax residence status and whether they are individuals, corporations or trust bodies. The relevant income tax rates are as follows:

Unit holders	Malaysian income tax rates
Malaysian tax resident:	
Individual and non-corporate unit holders (such as associations and societies)	Progressive tax rates ranging from 0% to 30%
Co-operatives¹¹	Progressive tax rates ranging from 0% to 24%
Trust bodies	24%
Corporate unit holders	
(i) A company with paid up capital in respect of ordinary shares of not more than RM2.5 million (at the beginning of the basis period for the year of assessment) and gross income from a source or sources consisting of a business not exceeding RM50	- First RM150,000 of chargeable income @ 15%¹⁴ - Next RM450,000 of chargeable income @ 17%

¹¹ Pursuant to Paragraph 12(1), Schedule 6 of the MITA, the income of any co-operative society—

(a) in respect of a period of five years commencing from the date of registration of such co-operative society; and

(b) thereafter where the members' funds [as defined in Paragraph 12(2)] of such co-operative society as at the first day of the basis period for the year of assessment is less than seven hundred and fifty thousand Ringgit, is exempt from tax.

¹⁴ Pursuant to the Finance Act 2023, effective from the year of assessment 2023, the concessionary tax rate is reduced from 17% to 15% for the first RM150,000 of chargeable income.

THIS IS A SECOND SUPPLEMENTAL MASTER PROSPECTUS WHICH HAS TO BE READ IN CONJUNCTION WITH THE MASTER PROSPECTUS

Unit holders	Malaysian income tax rates
million for the basis period for the year of assessment ^{12 13}	• Chargeable income in excess of RM600,000 @ 24%
(ii) Companies other than (i) above	• 24%
Non-Malaysian tax resident (Note 1):	
• Individual and non-corporate unit holders	• 30%
• Corporate unit holders and trust bodies	• 24%

Note 1:

Non-resident unit holders may be subject to tax in their respective countries depending on the provisions of the tax legislation in the respective countries and any existing double taxation arrangements with Malaysia.

Gains from sale of units

Gains arising from the sale of units will generally not be subject to income tax in the hands of unit holders unless they are insurance companies, financial institutions or traders / dealers in securities.

Unit splits and reinvestment of distributions

Unit holders may also receive new units as a result of unit splits or may choose to reinvest their distributions. The income tax implications of these are as follows:

- Unit splits – new units issued by the Fund pursuant to a unit split will not be subject to income tax in the hands of the unit holders.
- Reinvestment of distributions – unit holders may choose to reinvest their income distribution in new units by informing the Manager. In this event, the unit holder will be deemed to have received the distribution and reinvested it with the Fund.

We hereby confirm that, as at the date of this letter, the statements made in this letter correctly reflect our understanding of the tax position under current Malaysian tax legislation and the related interpretation and practice thereof, all of which are subject to change, possibly on a retrospective basis. We have not been retained (unless specifically instructed hereafter), nor are we obligated to monitor or update the statements for future conditions that may affect these statements.

¹² A company would not be eligible for the concessionary tax rate on the first RM600,000 of chargeable income if:-

- more than 50% of the paid-up capital in respect of the ordinary shares of the company is directly or indirectly owned by a related company which has paid-up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;
- the company owns directly or indirectly more than 50% of the paid-up capital in respect of the ordinary shares of a related company which has paid-up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;
- more than 50% of the paid-up capital in respect of the ordinary shares of the company and a related company which has a paid-up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment is directly or indirectly owned by another company.
- Pursuant to the Finance Act 2023, effective from the year of assessment 2024, in order for a company to qualify for the concessionary tax rates not more than 20% of the paid-up capital in respect of the ordinary shares of the company at the beginning of a basis period for a year of assessment can be directly or indirectly owned by one or more companies incorporated outside Malaysia or by individuals who are not citizens of Malaysia.

¹³ The above excludes a business trust and a company which is established for the issuance of asset-backed securities in a securitization transaction approved by the Securities Commission.

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The statements made in this letter are not intended to be a complete analysis of the tax consequences relating to an investor in the Fund. As the particular circumstances of each investor may differ, we recommend that investors obtain independent advice on the tax issues associated with an investment in the Fund.

Yours faithfully

Ernst & Young Tax Consultants Sdn Bhd

Bernard Yap
Partner

Ernst & Young Tax Consultants Sdn Bhd has given its consent to the inclusion of the Taxation Adviser's Letter in the form and context in which it appears in this Prospectus and has not withdrawn such consent before the date of issue of this Prospectus.

9.0. CONSENT

- 9.1. HSBC (Malaysia) Trustee Berhad and Principal Asset Management (S) Pte. Ltd. have given their consent for the inclusion of their name and statements in the form and context in which they appear in this Second Supplemental Master Prospectus and have not withdrawn such consent.

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FIRST SUPPLEMENTAL MASTER PROSPECTUS

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

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

This First Supplemental Master Prospectus dated 27 October 2023 is to be read in conjunction with the Master Prospectus Issue No. 24 dated 10 July 2023 ("Master Prospectus").

This First Supplemental Master Prospectus is dated 27 October 2023 and incorporates the following 19 Funds namely:

Equity Funds

Principal Malaysia Titans Fund	21 July 1995
Principal Malaysia Enhanced Opportunities Fund	23 November 2001
Principal Malaysia Opportunities Fund	10 March 1998
Principal Titans Growth & Income Fund	12 April 1991
Principal Titans Income Plus Fund	23 November 2001
Principal Small Cap Opportunities Fund	8 April 2004
Principal KLCI-Linked Fund	25 May 2000

Mixed Asset Funds

Principal Lifetime Balanced Fund	10 March 1998
Principal Lifetime Balanced Income Fund	4 August 1995
Principal Dynamic Enhanced Malaysia Income Fund	10 March 1998

Fixed Income Funds

Principal Lifetime Bond Fund	7 November 1995
Principal Lifetime Enhanced Bond Fund	20 January 2004

Regional & Global Funds

Principal Asia Titans Fund	8 November 2005
Principal China-India-Indonesia Opportunities Fund	16 December 2009
Principal Greater Bay Fund	28 August 2019
Principal Asia Dynamic Bond Fund	29 May 2017
Principal China Direct Opportunities Fund	22 January 2018
Principal US High Conviction Equity Fund	20 August 2021
Principal Asia Pacific Renewables Fund	25 November 2021

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE MASTER PROSPECTUS AND THIS FIRST SUPPLEMENTAL MASTER PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER. FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 44 OF THE MASTER PROSPECTUS AND PAGE 5 OF THIS FIRST SUPPLEMENTAL MASTER PROSPECTUS.

PRINCIPAL ASIA PACIFIC RENEWABLES FUND IS A QUALIFIED SUSTAINABLE AND RESPONSIBLE INVESTMENT FUND UNDER THE GUIDELINES ON SUSTAINABLE AND RESPONSIBLE INVESTMENT FUNDS.

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RESPONSIBILITY STATEMENTS

This First Supplemental Master Prospectus has been reviewed and approved by the directors of the Principal Malaysia and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in this First Supplemental Master Prospectus false or misleading.

STATEMENTS OF DISCLAIMER

The Securities Commission Malaysia has authorised the Funds and a copy of this First Supplemental Master Prospectus has been registered with the Securities Commission Malaysia.

The authorisation of the Funds, and registration of this First Supplemental Master Prospectus, should not be taken to indicate that the Securities Commission Malaysia recommends the Funds or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in the Master Prospectus or this First Supplemental Master Prospectus.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of Principal Malaysia who is responsible for the Funds and takes no responsibility for the contents in this First Supplemental Master Prospectus. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this First Supplemental Master Prospectus, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

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

ADDITIONAL STATEMENTS

You should note that you may seek recourse under the *Capital Markets and Services Act 2007* for breaches of securities laws including any statement in this First Supplemental Master Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this First Supplemental Master Prospectus or the conduct of any other person in relation to the Funds.

INVESTORS SHOULD BE AWARE THAT THE CAPITAL OF THE TI-TIP, LI-B AND DY-DEMI WILL BE ERODED WHEN THE TI-TIP, LI-B AND DY-DEMI DECLARES DISTRIBUTION OUT OF CAPITAL AS THE DISTRIBUTION IS ACHIEVED BY FORGOING THE POTENTIAL FOR FUTURE CAPITAL GROWTH AND THIS CYCLE MAY CONTINUE UNTIL ALL CAPITAL IS DEPLETED.

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1.0. GENERAL

- 1.1 This First Supplemental Master Prospectus is issued to reflect the amendments made to the Master Prospectus as stated under paragraphs 1.4, 2, 3, 4, 5, 6, 7, and 8 below.
- 1.2 All terms used in this First Supplemental Master Prospectus shall have the same meanings as those defined in the Definitions Chapter of the Master Prospectus unless where the context otherwise requires.
- 1.3 All information provided herein is practicable as at 30 June 2023 and shall remain current and relevant as at such date.
- 1.4 With effect from the respective Effective Dates, the Previous Trustee will be replaced by HSBC (Malaysia) Trustee Berhad. All references to AmanahRaya Trustees Berhad (200701008892 (766894-T)), Universal Trustee (Malaysia) Berhad (197401000629 (17540-D)), PB Trustee Services Berhad (196801000374(7968-T)), Maybank Trustees Berhad 196301000109 (5004-P)), ART, MTB, PBTSB and UTMB in the Master Prospectus shall be deleted with effect from the respective Effective Dates.

Previous Trustees	Funds	Effective Date
AmanahRaya Trustees Berhad	Principal Malaysia Enhanced Opportunities Fund Principal Titans Growth & Income Fund	4 December 2023
Maybank Trustees Berhad	Principal Dynamic Enhanced Malaysia Income Fund Principal Lifetime Balanced Fund Principal Lifetime Enhanced Bond Fund Principal Malaysia Opportunities Fund Principal Small Cap Opportunities Fund	24 November 2023
PB Trustee Services Berhad	Principal Lifetime Bond Fund	28 November 2023
Universal Trustee (Malaysia) Berhad	Principal Asia Titans Fund	
	Principal China-India-Indonesia Opportunities Fund	
	Principal Lifetime Balanced Income Fund	
	Principal Malaysia Titans Fund	
	Principal Titans Income Plus Fund	

2.0. DEFINITIONS

- 2.1. The following definitions have been inserted under the section of “**Definitions**” at page iii:

Class D	- The Class issued by the Fund denominated in MYR and differentiated by feature such as type of eligible investors and/or transaction methods.
e-Wallet App	- Mobile application of the e-wallet that allows an individual to make electronic transaction, which includes but not limited to Touch 'n Go e-wallet.
e-Wallet Provider	- Refers to e-money issuer approved by BNM, which includes but not limited to TNG Digital Sdn Bhd.
HSBC Group	- HSBC Holdings plc, its subsidiaries, related bodies corporate, associated entities and undertakings and any of their branches.

- 2.2. With effect from the respective Effective Dates, the definition of “Trustee” under the section of “**Definitions**” at page iv will be replaced and read as below:

Trustee	- HSBC (Malaysia) Trustee Berhad.
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3.0. CORPORATE DIRECTORY

- 3.1. The information of “Customer Care Centre” under the section of “**Corporate Directory**” at page vi has been replaced and read as below:

Customer Care Centre
Ground Floor Bangunan CIMB
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur MALAYSIA
Tel : (03) 7723 7260
Fax : (03) 7718 3003
WhatsApp : (6016) 299 9792

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Website

www.principal.com.my

E-mail

service@principal.com.my

goinvest@principal.com.my (for Class D only)

- 3.2. The corporate information of “The Trustees” under the section of “**Corporate Directory**” at page vi will be replaced and read as below with effect from the respective Effective Dates:

The Trustee

HSBC (Malaysia) Trustee Berhad

Business/Registered address

Level 19, Menara IQ, Lingkaran TRX

55188 Tun Razak Exchange

Kuala Lumpur, MALAYSIA

Tel : (603) 2075 7800

Fax : (603) 8894 2611

Email : fs.client.services.myh@hsbc.com.my

4.0. FUNDS INFORMATION

- 4.1. The information on the “Distribution Policy” under the section of “**Principal Malaysia Titans Fund**” at page 1 has been replaced and read as below:

For Class MYR and Class D

We have the discretion to distribute part or all of the Class’s distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Class.

- 4.2. The information on the “Distribution Policy” under the section of “**Principal Titans Income Plus Fund**” at page 7 has been replaced and read as below:

For Class MYR and Class D

Distribution (if any) is expected to be distributed annually, depending on the performance of the Class and at our discretion.

- 4.3. The information on the “Distribution Policy” under the section of “**Principal Lifetime Balanced Income Fund**” at page 15 has been replaced and read as below:

For Class MYR and Class D

We have the discretion to distribute part or all of the Class’s distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Class.

- 4.4. The information on the “Distribution Policy” under the section of “**Principal Lifetime Bond Fund**” at page 19 has been replaced and read as below:

For Class MYR and Class D

Distribution (if any) is expected to be distributed once a year every January at our discretion.

- 4.5. The information on the “Distribution Policy” under the section of “**Principal Asia Titans Fund**” at page 22 has been replaced and read as below:

For Class MYR and Class D

We have the discretion to distribute part or all of the Class’s distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Class.

- 4.6. The fourth and fifth paragraphs under the “Investment Policy and Strategy” under the section of “**Principal Asia Pacific Renewables Fund**” at page 32 has been replaced and read as below:

As the Fund is a qualified sustainable and responsible investment fund, at least two thirds (2/3) of the Fund’s NAV (“Threshold”) will be investments that are subject to the ESG integration* approach which involves the analysis of material factors in our investment decisions, including fundamental and ESG factors including the selection, retention, and realisation of the Fund’s investments. Companies are assessed against relevant and material ESG risks which may include but are not limited to climate change and corporate governance. We do not seek to exclude companies which are ranked relatively low in an ESG assessment, rather we see this as an opportunity to engage these companies and advocate adoption of best practices for further improvement. However, companies that do not improve or

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demonstrate a commitment to improve after engagement exercises may be excluded from further investment or we may dispose of the investment within an appropriate timeframe. We may engage companies in any area of ESG concern, as our understanding of each company is constantly informed by ongoing developments in the company/industry. In our investment process of ESG integration, it is not necessary to dispose of the investment even if the company does not demonstrate a commitment to improve on a particular ESG issue if it is not deemed as material. Effecting change on a company as a minority shareholder would also take time. The appropriate timeframe referred to here would be subject to recommendation by the analyst covering the security, and the decision by the portfolio manager.

As part of ESG integration, we overlay ESG analysis into the fundamental research process, where a wide range of ESG factors are considered, including a company's relationships with each of its stakeholders, such as shareholders, customers, suppliers and their supply chains, their communities, and the environment. The applicable ESG characteristics will depend on the sector from which the stock originates and so will vary from stock to stock. The final outcome of the analysis is to assign either a low, medium or high sustainability risk and an improving, stable or deteriorating sustainability trend. The analyst will document the assessment and discussion in the research platform or via email. Companies ranked relatively low in an ESG assessment means that they are determined to have "high" level of sustainability risk, based on our sustainability risk framework.

We will review the Fund annually to ensure that the investments of the Fund within the Threshold are in line with the sustainability criteria adopted and the overall impact of the investment of the Fund are not inconsistent with any other sustainability considerations. If the Fund's investment becomes inconsistent with the investment strategy or sustainability considerations of the Fund, we will dispose the investment within 90 days subject to the best interest of Unit holders and the Fund. In the event the Fund's investments are below the Threshold, we will rectify within 90 days from the date of breach unless stated otherwise in the Guidelines on Sustainable and Responsible Investment Funds and subject to the best interest of Unit holders and the Fund.

**ESG integration refers to the process of incorporating ESG issues into our investment analysis and decision-making processes and may include practices of engagement and active ownership*

- 4.7. The information under the section of "**Launch date, Initial Offer Period & Initial Offer Price per Unit**" at pages 37 and 38 has been replaced and read as below:

Currently, the Classes below are available for sale.

Funds	Name of Class	Launch date	Initial offer period	Initial offer price per unit
Equity Funds				
Principal Malaysia Titans Fund	Class MYR	1 August 1995	N/A	N/A
	Class D	22 January 2024 Note 1	1 day which is on the launch date	MYR1.0000
Principal Malaysia Enhanced Opportunities Fund	Class MYR	18 August 2004	N/A	N/A
Principal Malaysia Opportunities Fund	Class MYR	12 March 1998	N/A	N/A
Principal Titans Growth & Income Fund	Class MYR	15 May 1991	N/A	N/A
Principal Titans Income Plus Fund	Class MYR	1 October 2003	N/A	N/A
	Class D	22 January 2024 Note 1	1 day which is on the launch date	MYR1.0000
Principal Small Cap Opportunities Fund	Class MYR	20 April 2004	N/A	N/A
Principal KLCI-Linked Fund [#]	N/A	8 June 2000	N/A	N/A
Mixed Asset Funds				
Principal Lifetime Balanced Fund	Class MYR	12 March 1998	N/A	N/A
Principal Lifetime Balanced Income Fund	Class MYR	10 August 1995	N/A	N/A
	Class D	22 January 2024 Note 1	1 day which is on the launch date	MYR1.0000
Principal Dynamic Enhanced Malaysia Income Fund	Class MYR	12 March 1998	N/A	N/A

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Funds	Name of Class	Launch date	Initial offer period	Initial offer price per unit
Fixed Income Funds				
Principal Lifetime Bond Fund	Class MYR	15 November 1995	N/A	N/A
	Class D	22 January 2024 Note 1	1 day which is on the launch date	MYR1.0000
Principal Lifetime Enhanced Bond Fund	Class MYR	23 March 2004	N/A	N/A
Principal Asia Titans Fund	Class MYR	1 March 2006	N/A	N/A
	Class D	22 January 2024 Note 1	1 day which is on the launch date	MYR1.0000
Principal China-India-Indonesia Opportunities Fund	Class MYR	21 January 2010	N/A	N/A
Principal Greater Bay Fund	Class AUD-Hedged	31 October 2019	N/A	N/A
	Class MYR-Hedged		N/A	N/A
	Class SGD-Hedged		N/A	N/A
	Class USD		N/A	N/A
Principal Asia Dynamic Bond Fund	Class MYR	15 March 2019	N/A	N/A
Principal China Direct Opportunities Fund	Class MYR	8 March 2018	N/A	N/A
	Class SGD		N/A	N/A
	Class USD		N/A	N/A
Principal US High Conviction Equity Fund	Class MYR	12 January 2022	N/A	N/A
	Class MYR-Hedged		N/A	N/A
	Class SGD		N/A	N/A
	Class USD		N/A	N/A
Principal Asia Pacific Renewables Fund	Class AUD-Hedged	18 May 2022	N/A	N/A
	Class MYR-Hedged		N/A	N/A
	Class SGD-Hedged		N/A	N/A
	Class USD		N/A	N/A

*Note *: KLF is not a multi class fund and is denominated in Ringgit Malaysia.*

Note 1 The launch date shall be the date disclosed above or such other date as may be determined by us at our discretion. Any change to the launch date will be published on the website at www.principal.com.my prior to the launch date and thereafter, a supplemental prospectus will be issued to inform investors of the revised launch date.

For more details, you may contact our Customer Care Centre under the “Corporate Directory” section or Distributors; or visit our website at www.principal.com.my.

- 4.8. The following information has been inserted under the section of “**Specific Risks Associated with the Investment Portfolio of the Funds**” at page 48:

1.8.2.16. Sustainability risk The Fund is managed based on the characteristics of sustainability. The Fund may exclude securities of certain companies, industries or sectors and may forego certain investment opportunities, or dispose of certain holdings that do not align with the sustainability criteria. As such, the Fund may underperform funds that do not consider sustainability criteria in their investment strategy. This risk cannot be	Principal Asia Pacific Renewables Fund
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mitigated as it is inherent to the investment strategy of the Fund.

The Fund may be exposed to companies which are ranked relatively low in an ESG assessment. We will take the opportunity to engage with these companies to advocate adoption of best practices for further improvement. However, the effectiveness of engagement may vary from company to company. If the engagement with such companies is not effective, we may exclude such companies from further investment or may dispose of the investment within an appropriate timeframe subject to recommendation by the analyst covering the security, and the decision by the portfolio manager as part of the mitigation plan.

We may also rely on third party data to assess sustainability risk. However, the data we use could be inaccurate. Hence, we may not correctly assess the impact of sustainability risk, which may negatively impact the performance and consequently the NAV of the Fund. We mitigate the risk through further analysis of data as part of our sustainability research process.

- 4.9. The following information has been inserted under the section of “**Risk Factors**” at page 48:

1.8.3. RISKS ASSOCIATED WITH INVESTMENT IN CLASS D

Cyber security risk

This is the risk arising from cyber-attack on e-Wallet App. Should the e-Wallet App be compromised, it may result in unauthorised transactions pertaining to the Fund. Further to that, your investment-related information and personal data may be leaked. All transactions through e-Wallet App and/or the Fund may be temporarily suspended, in which you may not be able to transact through e-Wallet App or in the Fund due to cyber-attack.

Functionality risk

This is the risk that the e-Wallet App does not operate as intended due to factors including but not limited to connectivity and interface issues. If the e-Wallet App does not function as expected, your transaction through the e-Wallet App may not be correctly processed and/or completed.

Risk associated with discontinuation risk on e-Wallet Provider

As all the transactions are done through e-Wallet App developed by the e-Wallet Provider, the continuous operation of the e-Wallet Provider is crucial. The discontinuation of services provided by e-Wallet Provider may be due to but not limited to revocation of the license. Should such event happen, withdrawal from the Fund may be delayed.

5.0. FEES, CHARGES AND EXPENSES

- 5.1. The information in the first table under the section of “**Application Fee**” at page 49 has been replaced and read as below:

Funds	Maximum Application Fee (% of the NAV per unit)		
	Principal Distributors	IUTAs	Class D
	%	%	%
Equity Funds			
Principal Malaysia Titans Fund	6.50	6.50	6.50
Principal Malaysia Enhanced Opportunities Fund	6.50	6.50	N/A
Principal Malaysia Opportunities Fund	5.00	5.00	N/A
Principal Titans Growth & Income Fund	6.50	6.50	N/A
Principal Titans Income Plus Fund	6.50	6.50	6.50

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Principal Small Cap Opportunities Fund	6.00	6.00	N/A
Principal KLCI-Linked Fund	5.50	5.50	N/A
Mixed Asset Funds			
Principal Lifetime Balanced Fund	5.00	5.00	N/A
Principal Lifetime Balanced Income Fund	6.50	6.50	6.50
Principal Dynamic Enhanced Malaysia Income Fund	5.00	5.00	N/A
Fixed Income Funds			
Principal Lifetime Bond Fund	2.00	2.00	2.00
Principal Lifetime Enhanced Bond Fund	2.00	2.00	N/A
Regional & Global Funds			
Principal Asia Titans Fund	6.50	6.50	6.50
Principal China-India-Indonesia Opportunities Fund	6.50	5.50	N/A
Principal Greater Bay Fund	5.00	5.00	N/A
Principal Asia Dynamic Bond Fund	2.00	2.00	N/A
Principal China Direct Opportunities Fund	5.50	5.50	N/A
Principal US High Conviction Equity Fund	5.00	5.00	N/A
Principal Asia Pacific Renewables Fund	5.00	5.00	N/A

- 5.2. The information under the section of “**Switching Fee**” at page 50 has been replaced and read as below:

When available, switching is treated as a withdrawal from a Class/Fund and an investment into another Class or Principal Malaysia’s fund (or its classes). As such, you may be charged a Switching Fee equal to the difference (if any) between the Application Fees of the Class/Fund and the Application Fee of the other Class or Principal Malaysia’s fund (or its classes). You will not be charged a Switching Fee, if the Class or Principal Malaysia’s fund (or its classes) to be switched into has a lower Application Fee than the Application Fee of the Class. In addition to the Switching Fee, you may be charged MYR100/ SGD35/ USD 35/ AUD35 as the administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fee. We also have the discretion to waive the Switching Fee and/or administrative fee.

- 5.3. The information under the section of “**Transfer Fee**” at page 63 has been replaced and read as below:

When available, you may be charged Transfer Fee of not more than MYR50/ SGD15 / USD15/ AUD15 for each transfer.

- 5.4. The information under the section of “**Trustee Fee**” at pages 51 and 52 has been replaced and read as below:

The table below stipulates the annual Trustee Fee and custodian fee for the respective Funds, based on the NAV of the Fund. The Trustee Fee and custodian fee shall be accrued daily based on the NAV of the Fund and paid monthly.

Funds	Maximum Trustee Fee (% p.a. of the NAV of the Fund)	With effect from the Effective Date, the maximum Trustee Fee will be revised to the below (% p.a. of the NAV of the Fund)
Equity Funds		
Principal Malaysia Titans Fund	Note 1	0.01
Principal Malaysia Enhanced Opportunities Fund	0.06	0.045
Principal Malaysia Opportunities Fund	0.08	0.045
Principal Titans Growth & Income Fund	0.07	0.045
Principal Titans Income Plus Fund	0.06	0.045

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Funds	Maximum Trustee Fee (% p.a. of the NAV of the Fund)	With effect from the Effective Date, the maximum Trustee Fee will be revised to the below (% p.a. of the NAV of the Fund)
Principal Small Cap Opportunities Fund	0.07	0.045
Principal KLCI-Linked Fund	0.07	0.045
Mixed Asset Funds		
Principal Lifetime Balanced Fund	0.08	0.045
Principal Lifetime Balanced Income Fund	Note 1	0.01
Principal Dynamic Enhanced Malaysia Income Fund	0.08	0.045
Fixed Income Funds		
Principal Lifetime Bond Fund	0.05	0.03
Principal Lifetime Enhanced Bond Fund	0.05	0.03
Regional & Global Funds		
Principal Asia Titans Fund	0.035	0.035
Principal China-India-Indonesia Opportunities Fund	0.08	0.045
Principal Greater Bay Fund	0.06	0.045
Principal Asia Dynamic Bond Fund	0.05	0.03
Principal China Direct Opportunities Fund	0.06	0.045
Principal US High Conviction Equity Fund	0.06	0.045
Principal Asia Pacific Renewables Fund	0.045	0.045

Note: The Trustee Fee includes local custodian fee but excludes foreign sub-custodian fee (if any). Foreign sub-custodian fee is dependent on the country invested and is charged monthly in arrears.

Note 1 – The rates used for the computation of the annual Trustee Fee are as follows:

Size of the Fund	% p.a. of NAV of the Fund
First MYR20 million	0.06
Next MYR20 million	0.05
Next MYR20 million	0.04
Next MYR20 million	0.03
Next MYR20 million	0.02
Any amount in excess of MYR100 million	0.01

Below is an illustration on how the Trustee Fee is calculated:

Trustee Fee for the day = NAV of the Fund x annual Trustee Fee rate for the Fund (%) / 365 days

If the NAV of the Fund is MYR500 million, then

Trustee Fee for the day = MYR500 million x 0.05% per annum / 365 days
= MYR684.93

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

6.0. TRANSACTION INFORMATION

6.1. The first to eighth paragraph under the section of “Unit Pricing” at pages 55 has been replaced and read as below:

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 NAV per unit at the next valuation point after we receive the completed relevant transaction forms from you.

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

For Class D

If the transactions are made by 1:00 p.m. on a Business Day, we will process the transactions using the NAV per unit on that the same Business Day. For transactions made after 1:00 p.m. on a Business Day, we will process the transactions using the NAV per unit on the next Business Day.

The valuation point of the Funds for a Business Day will depend on whether the portfolio consists of foreign investments.

For Funds without foreign investments:

We will carry out the valuation for the Classes for a Business Day at the end of that Business Day (T day). The NAV per unit for a Business Day is available on our website at www.principal.com.my after 10:00 a.m. on the following Business Day (T+1).

For KLF:

We will carry out the valuation for the Fund for a Business Day at the end of that Business Day (T day). The NAV per unit for a Business Day is available on our website at www.principal.com.my after 10:00 a.m. on the following Business Day (T+1).

For Funds with foreign investments:

We will carry out the valuation for the Classes for a Business Day on the next Business Day (T+1) by 4:00 p.m. This is to cater for the currency translation of the foreign securities or instruments to the Funds' base currency based on the bid exchange rate quoted by Bloomberg or Refinitiv at UK time 4:00 p.m. on the same day (Malaysian time 11:00 p.m. or 12:00 a.m.), or such other time as stipulated in the IMS. The NAV per unit for a Business Day is available on our website at www.principal.com.my after 5:30 p.m. on the following Business Day (T+1).

Illustration (for Funds with foreign investments):

For a transaction request received by us by 4:00 p.m. on a Business Day

At the end of the Business Day on 26 April 2023, your units will be based on the NAV per unit on 26 April 2023, which will be calculated on 27 April 2023. The NAV per unit will be available on our website after 5:30 p.m. on 27 April 2023.

For a transaction request received by us after 4:00 p.m. on a Business Day

At the end of the Business Day on 26 April 2023, your units will be based on the NAV per unit on 27 April 2023, which will be calculated on 28 April 2023. The NAV per unit will be available on our website after 5:30 p.m. on 28 April 2023.

Illustration for Class D (with foreign investment):

For transaction request received by us by 1:00 p.m. on a Business Day

At the end of the Business Day on 26 April 2023, your units will be based on the NAV per unit on 26 April 2023, which will be calculated on 27 April 2023. The NAV per unit will be made known on our website after 5:30 p.m. on 27 April 2023.

For transaction request received by us after 1:00 p.m. on a Business Day

At the end of the Business Day on 26 April 2023, your units will be based on the NAV per unit on 27 April 2023, which will be calculated on 28 April 2023. The NAV per unit will be made known on our website after 5:30 p.m. on 28 April 2023.

Each Fund must be valued at least once for every Business Day except during the initial offer period. The method of determining NAV per unit is calculated as follows:

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

For KLF:

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

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 Deeds) including income derived by the Fund which has not been distributed to our Unit holders, less all amounts owing or payable in respect of the Fund including any provisions that we and the Trustees consider should be made. For example, a provision may be made for possible future losses on an investment which cannot be fairly determined.

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The valuation of the Fund is in the base currency. The NAV per unit of each Class/Fund* will be the NAV of the Fund attributable for each Class/Fund* divided by the number of units in circulation of that Class/Fund*, at the same valuation point.

*Note * : For KLF*

- 6.2. The illustration on “Calculation of withdrawal value and amount payable to you” under the section of “**Calculation of investment amount and units entitlement**” at page 57 has been replaced and read as below:

Assuming you request for a 10,000.00 units withdrawal. Your withdrawal request is received by us by 4:00 p.m. or 1:00 p.m. (for Class D) on a Business Day. NAV per unit of Class XYZ for that Business Day is MYR0.5230 (truncated to 4 decimal places).

Calculation of amount payable to you

= Number of units withdrawn x NAV per unit of Class XYZ

= 10,000.00 units x MYR0.5230

= MYR5,230.00

- 6.3. The first paragraph under the section of “**Who can invest?**” at page 58 has been replaced and read as below:

You are eligible to invest in the Funds if you are:

- an individual who is at least eighteen (18) years of age and are 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).
- For Class D, you must be an individual who is at least eighteen (18) years of age and have an account in the e-Wallet App and fulfil the requirements therein.

- 6.4. The first paragraph under the section of “**How to invest?**” at page 58 has been replaced and read as below:

You may invest through any of our Distributors, Principal Malaysia’s office, e-Wallet App or such other method as we may advise from time to time after completing the relevant application and attaching a copy of your identity card, passport or any other identification document (where applicable). We may request for additional supporting document(s) or information from you. Your application should 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.

- 6.5. The first bullet point in the second paragraph under the section of “**How to invest?**” at page 58 has been replaced and read as below:

- by crossed cheque (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; or

- 6.6. The information under the section of “**Can the units be registered in the name of more than one (1) Unit holder?**” at page 59 has been replaced and read as below:

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; joint account is not available for Class D. All applicants must be at least eighteen (18) years of age.

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 by the Trustee and the Manager as having ownership to such unit. The Manager or Trustee may require such necessary evidence proving the death of the Unit holder. His/her units will be dealt with in accordance with the Deed and applicable laws and regulations.

- 6.7. The information under the section of “**Minimum Investments**” at pages 59 to 60 has been replaced and read as below:

The minimum initial and additional investment for each Class is stipulated in the table below.

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Funds	Class	Minimum initial investment [#]	Minimum additional investment [#]	Regular Savings Plan (RSP)	
				Minimum initial investment [#]	Minimum additional investment [#]
Note: The currency denomination of the investment will be based on the respective Class of the Funds.					
Equity Funds					
Principal Malaysia Titans Fund	MYR	500	200	500	200
	D	10	10	500	500
Principal Malaysia Enhanced Opportunities Fund	MYR	500	200	500	200
Principal Malaysia Opportunities Fund	MYR	500	200	500	200
Principal Titans Growth & Income Fund	MYR	500	200	500	200
Principal Titans Income Plus Fund	MYR	500	200	500	200
	D	10	10	500	500
Principal Small Cap Opportunities Fund	MYR	500	200	500	200
Principal KLCI-Linked Fund*	N/A	500	200	500	200
Mixed Asset Funds					
Principal Lifetime Balanced Fund	MYR	500	200	500	200
Principal Lifetime Balanced Income Fund	MYR	500	200	500	200
	D	10	10	500	500
Principal Dynamic Enhanced Malaysia Income Fund	MYR	500	200	500	200
Fixed Income Funds					
Principal Lifetime Bond Fund	MYR	2,000	500	2,000	500
	D	10	10	500	500
Principal Lifetime Enhanced Bond Fund	MYR	2,000	500	2,000	500
Regional & Global Funds					
Principal Asia Titans Fund	MYR	500	200	500	200
	D	10	10	500	500
Principal China-India-Indonesia Opportunities Fund	MYR	500	200	500	200
Principal Greater Bay Fund	AUD-Hedged	1,000	100	N/A	N/A
	MYR-Hedged	1,000	100	N/A	N/A
	SGD-Hedged	1,000	100	N/A	N/A
	USD	1,000	100	N/A	N/A
Principal Asia Dynamic Bond Fund	MYR	1,000	100	1,000	100

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Principal China Direct Opportunities Fund	MYR	1,000	100	1,000	100
	SGD	1,000	100	N/A	N/A
	USD	1,000	100	N/A	N/A
Principal US High Conviction Equity Fund	MYR	100	100	100	100
	MYR-Hedged	100	100	100	100
	SGD	100	100	N/A	N/A
	USD	100	100	N/A	N/A
Principal Asia Pacific Renewables Fund	AUD-Hedged	100	100	N/A	N/A
	MYR-Hedged	100	100	100	100
	SGD-Hedged	100	100	N/A	N/A
	USD	100	100	N/A	N/A

** The amount includes any applicable fees and charges, such as application fee (if any), which are subject to any applicable taxes.*

** KLF is not a multi-class fund and is denominated in Ringgit Malaysia.*

Note:

We reserve our sole and absolute discretion without providing any reason whatsoever and at any time to accept, reject, amend, vary, waive and/or reduce (as the case maybe): (i) your request for a lower amount or number of units when purchasing units (or additional units) or withdrawing units; and/or (ii) the minimum balance. For increase in the number of units for minimum withdrawal and minimum balance, we will require concurrence from the Trustee and you will be notified of such changes.

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

The minimum initial investment for EPF-MIS shall be MYR1,000 or such other amount as determined by EPF or as per the amount stated above, whichever is higher. Please note that there may be changes to the status of the eligibility of the Fund under the EPF-MIS from time to time. Please refer to our website at www.principal.com.my or www.kwsp.gov.my for updated information.

- 6.8. The information under the section of “**Processing an application**” at page 60 has been replaced and read as below:

If we receive and accepted a complete application by 4:00 p.m. or 1:00 p.m. (for Class D) on a Business Day, we will process it using the NAV per unit for that Business Day. If we receive and accepted the application after 4:00 pm. or 1:00 p.m. (for Class D) on a Business Day, we will process it using the NAV per unit for the next Business Day. We will only process complete applications, i.e. when we have received all the necessary and required information and/or documentations. The number of units you receive will be rounded to two (2) decimal places.

For transaction through e-Wallet App, the processing of your application request is subject to you providing all required information to us through the e-Wallet App and the transfer of monies into the Fund’s account. Failure to complete the application process in the e-Wallet App by you or non-receipt of the application request by us will cause the application request to be cancelled automatically. We will pay back your monies on next Business Day on a best effort basis, subject to system availability. If you wish to re-apply, you will have to re-initiate the application process through the e-Wallet App.

- 6.9. The information under the section of “**Minimum Withdrawals and Minimum Balance**” at pages 61 and 62 has been replaced and read as below:

The minimum withdrawals and minimum balance for each Class are stipulated in the table below, unless you are withdrawing your entire investment. You may withdraw by completing a withdrawal application and submit to the relevant Distributor, Principal Malaysia’s office, e-Wallet App or such other channel (where available). There is no restriction on the frequency of withdrawals. We will transfer the withdrawal proceeds to the bank account number provided by you or through e-wallet with the e-Wallet Provider (where available). Please note that for EPF-MIS, your withdrawal proceeds will be paid to EPF.

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Funds	Class	Minimum withdrawal	Minimum balance
Equity Funds			
Principal Malaysia Titans Fund	MYR	200 units	250 units
	D	MYR 10	10 units
Principal Malaysia Enhanced Opportunities Fund	MYR	400 units	500 units
Principal Malaysia Opportunities Fund	MYR	400 units	500 units
Principal Titans Growth & Income Fund	MYR	200 units	250 units
Principal Titans Income Plus Fund	MYR	200 units	250 units
	D	MYR 10	10 units
Principal Small Cap Opportunities Fund	MYR	400 units	500 units
Principal KLCI-Linked Fund*	N/A	400 units	250 units
Mixed Asset Funds			
Principal Lifetime Balanced Fund	MYR	400 units	500 units
Principal Lifetime Balanced Income Fund	MYR	200 units	250 units
	D	MYR 10	10 units
Principal Dynamic Enhanced Malaysia Income Fund	MYR	400 units	500 units
Fixed Income Funds			
Principal Lifetime Bond Fund	MYR	500 units	1,000 units
	D	MYR 10	10 units
Principal Lifetime Enhanced Bond Fund	MYR	500 units	1,000 units
Regional & Global Funds			
Principal Asia Titans Fund	MYR	400 units	500 units
	D	MYR 10	10 units
Principal China-India-Indonesia Opportunities Fund	MYR	500 units	1,000 units
Principal Greater Bay Fund	AUD-Hedged	100 units	1,000 units
	MYR-Hedged	100 units	1,000 units
	SGD-Hedged	100 units	1,000 units
Principal Asia Dynamic Bond Fund	USD	100 units	1,000 units
	MYR	100 units	1,000 units
Principal China Direct Opportunities Fund	MYR	100 units	1,000 units
	SGD	100 units	1,000 units
	USD	100 units	1,000 units
Principal US High Conviction Equity Fund	MYR	100 units	100 units
	SGD	100 units	100 units
	USD	100 units	100 units
	MYR-Hedged	100 units	100 units
Principal Asia Pacific Renewables Fund	SGD	100 units	100 units
	USD	100 units	100 units
	AUD-Hedged	100 units	100 units
	MYR-Hedged	100 units	100 units

Notes:

- There is no exit and re-entry option.
- Withdrawal is subject to the minimum balance being maintained.

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- *If the balance (i.e. number of units) of your investment drops below the minimum balance stipulated above, further investment will be required until the balance of the investment is restored to at least the stipulated minimum balance. Otherwise, we can withdraw your entire investment and forward the proceeds to you.*
 - *We reserve our sole and absolute discretion without providing any reason whatsoever and at any time to accept, reject, amend, vary, waive and/or reduce (as the case maybe): (i) your request for a lower amount or number of units when purchasing units (or additional units) or withdrawing units; and/or (ii) the minimum balance. For increase in the number of units for minimum withdrawal and minimum balance, we will require concurrence from the Trustee and you will be notified of such changes.*
 - *We may for any reason and at any time, waive or reduce: (a) any fees (except for the Trustee Fee); (b) other charges payable by you to the Funds; and/or (c) transactional values including but not limited to the units or amount, for any Unit holder and/or investments made via any distribution channels or platform.*
- * KLF is not a multi-class fund and is denominated in Ringgit Malaysia.

6.10. The information under the section of “**Processing a withdrawal**” at page 62 has been replaced and read as below:

If we receive a complete withdrawal request by 4:00 p.m. or 1:00 p.m. (for Class D) 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. or 1:00 p.m. (for Class D) on a Business Day, we will process using the NAV per unit for the next Business Day (T+1).

The amount that you will receive is calculated by the withdrawal value less the Withdrawal Fee, if any. You will be paid in the currency of the Class (e.g. Class MYR will be paid in MYR) within seven (7) Business Days upon our receipt of the complete withdrawal request. You will have to bear the applicable bank fees and charges, if any.

For more information on Class D, you may refer to the frequently asked questions and terms and conditions which are available on the e-Wallet App. Alternatively, you may contact our Customer Care Centre under the “Corporate Directory” section or the e-Wallet Provider to understand the service and their terms and conditions.

For **OP-SCO**, if the Fund’s total withdrawal amount is fifteen percent (15%) or more of the total NAV of the Fund for a Business Day, we will pay to you within fifteen (15) calendar days from the day we receive the withdrawal notice. For details, please refer to “Approvals and Conditions” section on page 43.

Applicable for GBAY & OP-CDO only

Currently, repatriations of funds out of China by open-ended funds are not subjected to repatriation restrictions. However, there is no guarantee that repatriation restrictions will not be imposed in the future. Investors should note that should there be restrictions imposed on repatriation of funds out of China, it may impact the Fund’s ability to meet withdrawal requests on a timely basis.

6.11. The information under the section of “**Cooling-off Period**” at page 62 has been replaced and read as below:

For first time individual investor investing with us, you have six (6) Business Days after your initial investment (i.e. from the date the completed application is received and accepted by us or any of our Distributors) to reconsider its 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 or prevailing NAV per unit at the point of cooling-off (whichever is lower) (“Refund Amount”). We will pay the Refund Amount including the Application Fee (if any) to you in the currency of the respective Class within seven (7) Business Days from the date we receive the complete documentations. Please note that the cooling-off right is only given to first time investor investing with us or our Distributors. However, Principal Malaysia’s staff and person(s) registered with a body approved by the SC to deal in unit trust funds are not entitled to the cooling-off right.

For transaction through e-Wallet App, cooling-off right is not applicable if you have withdrawn all or parts of your investment from Class D either to your e-Wallet or your bank account. Request for cooling-off can be made directly through Principal Malaysia and/or through the e-Wallet App (where available).

If the Fund is an EPF-MIS approved fund and you have invested via EPF-MIS, your cooling-off right is subject to EPF’s terms and conditions.

6.12. The third paragraph under the section of “**Switching**” at page 62 has been replaced and read as below:

To switch, simply complete a switch application and send to our Distributors, Principal Malaysia’s office, e-Wallet App (where available), or such other channel. 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 investors) or specifically (for any particular investor, a group of investors or investments made via any digital platform).

For more information on Class D, you may refer to the frequently asked questions and terms and conditions which are available on the e-Wallet App. Alternatively, you may contact our Customer Care Centre under the “Corporate Directory” section or the e-Wallet Provider to understand the service and their terms and conditions.

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6.13. The information under the section of “**Processing a switch**” at page 63 has been replaced and read as below:

Where available, we process a switch as a withdrawal from one fund or class and an investment into another fund or class within Principal Malaysia’s funds. If we receive a complete switch request by 4:00 p.m. or 1:00 p.m. (for Class D) on a Business Day, the switch-out will be processed using the NAV per unit of the Class/Fund for that Business Day. If we receive the request after 4:00 p.m. or 1:00 p.m. (for Class D) on a Business Day, the switch-out will be processed using the NAV per unit of the Class/Fund for the next Business Day.

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

7.0. ADDITIONAL INFORMATION

7.1. The information under the section “**Information on Your Investment**” at page 65 has been replaced and read as below:

We will send you the following:

- Your Principal Malaysia investor account number;
- Confirmation on all your transactions and distributions (if any);
- Confirmation on any changes to your address if you have written to us to make the changes;
- Quarterly statement showing details of your transactions and distributions (if any);
- For Class D, monthly statement showing details of your transactions and distributions (if any); and
- Interim and audited annual report showing snapshots of the Fund and details of the portfolio for the respective period reported. Both the interim report and the audited annual report will be sent to you within two (2) months of the end of the period reported.

7.2. The information under the section “**Deeds**” at page 66 has been replaced and read as below:

This table describes the Deeds governing the Funds.

	Deeds
Equity Funds	• Master Deed dated 15 May 2008 • First Supplemental Deed dated 25 June 2008 • Second Supplemental Master Deed dated 25 June 2008 • Third Supplemental Master Deed dated 14 July 2008 • Fourth Supplemental Master Deed dated 18 March 2009 • Fifth Supplemental Master Deed dated 16 July 2009 • Sixth Supplemental Master Deed dated 16 December 2009
Mixed Asset Funds	• Seventh Supplemental Master Deed dated 11 February 2010 • Eighth Supplemental Master Deed dated 14 June 2010 • Ninth Supplemental Master Deed dated 25 November 2010 • Thirteenth Supplemental Master Deed dated 26 June 2012 • Fourteenth Supplemental Master Deed dated 21 September 2012
Fixed Income Funds	• Eighteenth Supplemental Master Deed dated 25 March 2015. • Nineteenth Supplemental Master Deed dated 11 May 2016. • Twentieth Supplemental Master Deed dated 21 October 2019 • Twenty Third Supplemental Master Deed dated 27 June 2022 • Twenty Fourth Supplemental Master Deed dated 13 January 2023 • Twenty Fifth Supplemental Master Deed dated 26 May 2023
Regional & Global Funds	<u>For KLF:</u> • Master Deed Constituting Index Funds dated 30 November 2007 • First Supplemental Master Deed dated 25 June 2008 • Second Supplemental Master Deed dated 14 July 2008 • Third Supplemental Deed dated 16 July 2009 • Fourth Supplemental Deed dated 26 July 2013 • Fifth Supplemental Deed dated 23 March 2015 • Sixth Supplemental Deed dated 21 October 2019 • Seventh Supplemental Deed dated 13 January 2023 <u>For GBAV:</u> • Master Deed dated 28 August 2019 • First Supplemental Deed dated 10 January 2023 <u>For DY-ADB:</u>

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	• Master Deed dated 29 May 2017 • First Supplemental Deed dated 7 November 2019 • Second Supplemental Deed dated 10 January 2023 <u>For OP-CDO:</u> • Master Deed dated 22 January 2018 • First Supplemental Deed dated 7 November 2019 • Second Supplemental Deed dated 10 January 2023 <u>For UHCE:</u> • Master Deed dated 20 August 2021 • First Supplemental Deed dated 10 January 2023 <u>For APRE:</u> • Master Deed dated 25 November 2021 • First Supplemental Deed dated 10 January 2023
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- 7.3. The sixth paragraph under the section “**Potential Conflicts of Interests and Related Party Transactions**” at page 67 has been replaced and read as below:

E-Wallet Provider and Distributor may be our related party. We will ensure that any arrangement made with the e-Wallet Provider and Distributors will be at arm’s length.

8.0. THE TRUSTEES

With effect from the respective Effective Date, the information under the section of “**The Trustee**” at pages 75 to 79 will be replaced and read as below:

HSBC (Malaysia) Trustee Berhad is a company incorporated in Malaysia since 1937 and registered as a trust company under the Trust Companies Act 1949, with its registered address at Level 19, Menara IQ, Lingkaran TRX, 55188 Tun Razak Exchange, Kuala Lumpur.

Since 1993, the Trustee has acquired experience in the administration of unit trusts and has been appointed as trustee for unit trust funds, exchange traded funds, wholesale funds and funds under private retirement scheme.

Duties and Responsibilities of the Trustee

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

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

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

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

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Trustee's Delegate

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

The Trustee shall be responsible for the acts and omissions of its delegate as though they were its own acts and omissions.

However, the Trustee is not liable for the acts, omissions or failure of third party depository such as central securities depositories, or clearing and/or settlement systems 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.

Trustee's Disclosure of Material Litigation

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

Trustee's Statement of Responsibility

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

9.0. CONSENT

- 9.1. HSBC (Malaysia) Trustee Berhad has given its consent for the inclusion of its name and statements in the form and context in which they appear in this First Supplemental Master Prospectus and has not withdrawn such consent.

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Prospectus

10 July 2023

Master Prospectus

Manager : Principal Asset Management Berhad (199401018399 (304078-K))
Trustee : AmanahRaya Trustees Berhad (200701008892 (766894-T))
 Maybank Trustees Berhad (196301000109 (5004-P))
 PB Trustee Services Berhad (196801000374(7968-T))
 HSBC (Malaysia) Trustee Berhad (193701000084 (1281-T))
 Universal Trustee (Malaysia) Berhad (197401000629 (17540-D))

THIS IS A REPLACEMENT MASTER PROSPECTUS DATED 10 JULY 2023 TO REPLACE AND/OR SUPERSEDE THE FOLLOWING:

- REPLACEMENT MASTER PROSPECTUS ISSUE NO. 23 DATED 25 JUNE 2021;
- PROSPECTUS ISSUE NO.1 FOR PRINCIPAL GREATER BAY FUND DATED 31 OCTOBER 2019;
- PROSPECTUS ISSUE NO.2 DATED 16 JANUARY 2020 AND THE FIRST SUPPLEMENTAL PROSPECTUS DATED 31 DECEMBER 2021 FOR PRINCIPAL ASIA DYNAMIC BOND FUND;
- PROSPECTUS ISSUE NO.2 FOR PRINCIPAL CHINA DIRECT OPPORTUNITIES FUND DATED 16 JANUARY 2020;
- PROSPECTUS ISSUE NO.1 FOR PRINCIPAL US HIGH CONVICTION EQUITY FUND DATED 12 JANUARY 2022; AND
- PROSPECTUS ISSUE NO.1 FOR PRINCIPAL ASIA PACIFIC RENEWABLES FUND DATED 18 MAY 2022.

This Replacement Master Prospectus Issue No.24 is dated 10 July 2023, and incorporates the following 19 Funds namely:

Equity Funds

Principal Malaysia Titans Fund
 Principal Malaysia Enhanced Opportunities Fund
 Principal Malaysia Opportunities Fund
 Principal Titans Growth & Income Fund
 Principal Titans Income Plus Fund
 Principal Small Cap Opportunities Fund
 Principal KLCI-Linked Fund

Constitution Date

21 July 1995
 23 November 2001
 10 March 1998
 12 April 1991
 23 November 2001
 8 April 2004
 25 May 2000

Mixed Asset Funds

Principal Lifetime Balanced Fund
 Principal Lifetime Balanced Income Fund
 Principal Dynamic Enhanced Malaysia Income Fund

10 March 1998
 4 August 1995
 10 March 1998

Fixed Income Funds

Principal Lifetime Bond Fund
 Principal Lifetime Enhanced Bond Fund

7 November 1995
 20 January 2004

Regional & Global Funds

Principal Asia Titans Fund
 Principal China-India-Indonesia Opportunities Fund
 Principal Greater Bay Fund
 Principal Asia Dynamic Bond Fund
 Principal China Direct Opportunities Fund
 Principal US High Conviction Equity Fund
 Principal Asia Pacific Renewables Fund

8 November 2005
 16 December 2009
 28 August 2019
 29 May 2017
 22 January 2018
 20 August 2021
 25 November 2021

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS MASTER PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER. FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 44.

THE FUNDS (SAVE AND EXCEPT FOR PRINCIPAL KLCI-LINKED FUND) ARE MULTI-CLASS FUND AND ARE ALLOWED TO ESTABLISH NEW CLASS(ES) FROM TIME TO TIME AS MAY BE DETERMINED BY THE MANAGER.

PRINCIPAL ASIA PACIFIC RENEWABLES FUND IS A QUALIFIED SUSTAINABLE AND RESPONSIBLE INVESTMENT FUND UNDER THE GUIDELINES ON SUSTAINABLE AND RESPONSIBLE INVESTMENT FUNDS.

ABOUT THIS DOCUMENT

This Master Prospectus introduces you to Principal Malaysia and its diverse range of conventional funds comprising equity funds, mixed asset funds, fixed income funds as well as regional and global funds. This Master Prospectus outlines in general the information you need to know to make an informed decision as to which Fund best suits your financial needs. The Funds (save and except for Principal KLCI-Linked Fund) are established as a multi-class fund and currently may have more than one (1) class.

If you have any questions about the information in this Master Prospectus or would like to know more about investing in the Principal Malaysia family of unit trust funds, please contact our Customer Care Centre under the “Corporate Directory” section during business hour between 8:45 a.m. and 5:45 p.m. (Malaysian time) from Mondays to Fridays.

Unless otherwise indicated, any reference in this Master Prospectus to any rules, regulations, guidelines, standards, directives, notices, legislations or statutes shall be reference to those rules, regulations, guidelines, standards, directives, notices or legislations, 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 Master Prospectus shall be a reference to that time, day or date in Malaysia, unless otherwise stated. Reference to “days” in this Master Prospectus will be taken to mean calendar days unless otherwise stated.

Please note that all references to currency amounts and NAV per unit in this Master Prospectus are in MYR unless otherwise indicated.

MASTER PROSPECTUS DETAILS

Issue No.	24
Prospectus Date	10 July 2023

RESPONSIBILITY STATEMENTS

This Master Prospectus has been reviewed and approved by the directors of Principal Malaysia and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements, or omission of other facts which would make any statement in this Master Prospectus false or misleading.

STATEMENTS OF DISCLAIMER

The Securities Commission Malaysia has authorised the Funds and a copy of this Master Prospectus has been registered with the Securities Commission Malaysia.

The authorisation of the Funds, and registration of this Master Prospectus, should not be taken to indicate that the Securities Commission Malaysia recommends the Funds or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Master Prospectus.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of Principal Malaysia who is responsible for the Funds and takes no responsibility for the contents in this Master Prospectus. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Master Prospectus, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

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

ADDITIONAL STATEMENTS

You should note that you may seek recourse under the *Capital Markets and Services Act 2007* for breaches of securities laws including any statement in the Master Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the Master Prospectus or the conduct of any other person in relation to the Funds.

INVESTORS SHOULD BE AWARE THAT THE CAPITAL OF THE TI-TIP, LI-B AND DY-DEMI WILL BE ERODED WHEN THE TI-TIP, LI-B AND DY-DEMI DECLARES DISTRIBUTION OUT OF CAPITAL AS THE DISTRIBUTION IS ACHIEVED BY FORGOING THE POTENTIAL FOR FUTURE CAPITAL GROWTH AND THIS CYCLE MAY CONTINUE UNTIL ALL CAPITAL IS DEPLETED.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Master Prospectus:

Application Fee	- Preliminary charge on each investment.
ART	- AmanahRaya Trustees Berhad.
ASEAN	- Association of Southeast Asian Nations.
BNM	- Bank Negara Malaysia.
Business Day	- Mondays to Fridays when Bursa Malaysia Securities Berhad is open for trading, and/or banks in Kuala Lumpur and/or Selangor are open for business. <i>Note: We may declare certain Business Days to be a non-Business Day for a Fund, if the Fund's investments in foreign markets (if any) which are closed for business or suspended, is at least 50% of the Fund's NAV.</i>
CIMB Group	- CIMB Group Sdn. Bhd.
CIS	- Refers to collective investment schemes.
Class	- Any class of units representing similar interest in the assets of the Fund.
Class AUD-Hedged	- The Class issued by the Fund denominated in AUD that aims to minimize the effect of exchange rate fluctuations between the base currency of the Fund and AUD.
Class MYR	- The Class issued by the Fund denominated in MYR.
Class MYR-Hedged	- The Class issued by the Fund denominated in MYR that aims to minimize the effect of exchange rate fluctuations between the base currency of the Fund and MYR.
Class SGD	- The Class issued by the Fund denominated in SGD.
Class SGD-Hedged	- The Class issued by the Fund denominated in MYR that aims to minimize the effect of exchange rate fluctuations between the base currency of the Fund and SGD.
Class USD	- The Class issued by the Fund denominated in USD.
CMSA	- Capital Markets and Services Act 2007.
Deed	- The principal deed and all supplemental deed in respect of the Funds made between us and the Trustee, in which Unit holders agree to be bound by the provisions of the Deeds.
Deposit	- As per the definition of "deposit" in the Financial Services Act 2013 and "Islamic deposit" in the Islamic Financial Services Act 2013.
Distributor	- Any relevant persons and bodies appointed by Principal Malaysia from time to time, who are responsible for selling units of the Funds, including Principal Distributors and IUTAs.
Eligible Market	- An exchange, government securities market or an over-the-counter market that is regulated by a regulatory authority of that jurisdiction, that is open to the public or to a substantial number of market participants, and on which financial instruments are regularly traded.
EPF	- Employees Provident Fund.
EPF-MIS	- EPF Members Investment Scheme.
FBM 100	- FTSE Bursa Malaysia Top 100.
FTSE	- Financial Times Stock Exchange.
Fund	- Refers to Principal Malaysia's fund which are segregated into four different sections:

EQUITY FUNDS

Principal Malaysia Titans Fund	TI-MT
Principal Malaysia Enhanced Opportunities Fund	OP-MEO
Principal Malaysia Opportunities Fund	OP-MO
Principal Titans Growth & Income Fund	TI-TGI
Principal Titans Income Plus Fund	TI-TIP
Principal Small Cap Opportunities Fund	OP-SCO
Principal KLCI-Linked Fund	KLF

MIXED ASSET FUNDS

Principal Lifetime Balanced Fund	LI-B
Principal Lifetime Balanced Income Fund	LI-BI
Principal Dynamic Enhanced Malaysia Income Fund	DY-DEMI

FIXED INCOME FUNDS

Principal Lifetime Bond Fund	LI-BO
Principal Lifetime Enhanced Bond Fund	LI-EIB

REGIONAL & GLOBAL FUNDS

Principal Asia Titans Fund	TI-AT
Principal China-India-Indonesia Opportunities Fund	OP-CIIO
Principal Greater Bay Fund	GBAY
Principal Asia Dynamic Bond Fund	DY-ADB
Principal China Direct Opportunities Fund	OP-CDO
Principal US High Conviction Equity Fund	UHCE
Principal Asia Pacific Renewables Fund	APRF

GDP	- Gross Domestic Product.
GUTF	- Guidelines on Unit Trust Funds issued by the SC.
HSBCT	- HSBC (Malaysia) Trustee Berhad.
ICE	- ICE Data Services, Inc.
ICULS	- Irredeemable Convertible Unsecured Loan Stock.
IMS	- Investment Management Standards issued by the Federation of Investment Managers Malaysia.
IUTA	- Refers to Institutional Unit Trust Schemes Adviser, a corporation registered with Federation of Investment Managers Malaysia and authorised to market and distribute unit trust schemes of another party.
LPD	- Latest Practicable Date i.e. 30 April 2023, in which all information provided herein shall remain current and relevant as at such date.
long-term	- Refers to a period of five (5) years or more.
MARC	- Malaysian Rating Corporation Berhad.
Management Fee	- A percentage of the NAV of the Class/Fund that is paid to the Manager for managing the portfolio of the Fund.
Master Prospectus	- Refers to this document issued by us describing the details of the Funds.
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.
medium-term	- Refers to a period of more than one (1) year and less than three (3) years.
MGS	- Malaysian Government Securities, long-term bonds issued by the Government of Malaysia. In this context, long-term refers to securities which have maturity more than a year. (Source: Bond Info Hub of BNM)
MTB	- Maybank Trustees Berhad.
MYR	- Malaysian Ringgit.
NAV	- Net Asset Value.
NAV of the Class	- The NAV of the Fund attributable to a Class at the same valuation point.
NAV of the Fund	- The value of all the Fund's assets less the value of all the Fund's liabilities, at the point of valuation. For the purpose of computing the annual Management Fee (if any) and annual Trustee Fee (if any), the NAV of the Fund should be inclusive of the Management Fee and Trustee Fee for the relevant day.
NAV per unit	- The NAV attributable to a Class/Fund divided by the number of units in circulation for that Class/Fund, at the valuation point.
OTC	- Over-the-counter.
PBTBSB	- PB Trustee Services Berhad.
PFG	- Principal Financial Group, Inc.
Principal Malaysia or the Manager	- Principal Asset Management Berhad.
Principal Singapore	- Principal Asset Management (S) Pte. Ltd..
Principal Distributors	- Refers to the authorised unit trust scheme consultants registered with Principal Malaysia.
RAM	- RAM Rating Services Berhad.
Quant shop MGS Bond Index	- Quant shop Malaysian Government Securities Bond Index.
S&P	- Standard & Poor's Rating Services..
SC	- Securities Commission Malaysia.
short-term	- Refers to a period of one (1) year or less.
Special Resolution	- A resolution passed by a majority of not less than 3/4 of Unit holders voting at a meeting of Unit holders. For the purpose of terminating or winding up a fund, a Special Resolution is passed by a majority in number representing at least 3/4 of the value of the units held by Unit holders voting at the meeting.
Sub-Manager	- A fund management company/ asset management company that is appointed by the Manager to assume all or part of the investment function role of the Manager.
Switching Fee	- A charge that may be levied when switching is done from one (1) fund or class to another.
Transfer Fee	- A nominal fee levied for each transfer of units from one (1) Unit holder to another.
Trustee	- ART, MTB, PBTBSB, HSBCT and/or UTMB.
Trustee Fee	- A percentage of the NAV of the Fund that is paid to the Trustee for its services rendered as trustee for the Fund.
UK	- United Kingdom.
Unit holder	- The registered holder for the time being of a unit of the Fund including persons jointly so registered.

Unrated Debt Securities/ Unrated Fixed Income Securities	- Refers to debt securities/fixed income securities which are not rated by any rating agencies. Note: <i>In this context, unrated is not junk. The Fund will only invest in Unrated Debt Securities/ Unrated Fixed Income Securities that fulfil the selection criteria of our credit evaluation process.</i>
USA	- United States of America.
UTMB	- Universal Trustee (Malaysia) Berhad.
Withdrawal Fee	- 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.*

CORPORATE DIRECTORY

The Manager

Principal Asset Management Berhad

Business address

10th Floor Bangunan CIMB
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur MALAYSIA
Tel : (603) 2084 8888

Registered address

8th Floor Bangunan CIMB
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur MALAYSIA
Tel : (03) 2084 8888

Customer Care Centre

Ground Floor Bangunan CIMB
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur MALAYSIA
Tel : (603) 7723 7260
Fax : (603) 7718 3003
Whatsapp : (6016) 299 9792

Website : www.principal.com.my

E-mail : service@principal.com.my

Sub-Manager for TI-AT and OP-CIIO

Principal Asset Management (S) Pte. Ltd.

Business/Registered address

50, Raffles Place #22-03A&B Singapore Land Tower
SINGAPORE 048623
Tel: (65) 6390 0800

Website : www.principal.com.sg

Sub-Manager for UHCE

Principal Global Investors, LLC

Business/Registered address

Principal Global Investors, LLC
801 Grand Avenue
Des Moines, IA 503092
Tel: (65) + 1 800-533-1390

The Trustees

Trustee for TI-TGI and OP-MEO

AmanahRaya Trustees Berhad

Business address

Tingkat 14, Wisma AmanahRaya
No. 21, Jalan Ampang
50508 Kuala Lumpur MALAYSIA
Tel : (03) 2036 5129
Fax : (03) 2072 0322
Email : art@arb.com.my
Website : www.arttrustees.my

Registered address

Tingkat 11, Wisma AmanahRaya
No. 2, Jalan Ampang
50508 Kuala Lumpur MALAYSIA

The Trustees

Trustee for OP-MO, OP-SCO, LI-B, DY-DEMI and LI-EIB

Maybank Trustees Berhad

Business/Registered address

8th Floor Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur MALAYSIA
Tel : (603)-2070 8833/ 2074 8952
Fax : (603)-2070 9387
Website : www.maybank2u.com.my
Email : mtb.ut@maybank.com.my

Trustee for LI-BO

PB Trustee Services Berhad

Business/Registered address

17th Floor, Menara Public Bank
146, Jalan Ampang
50450 Kuala Lumpur MALAYSIA
Tel : (03) 2177 3127
Fax : (03) 2164 6197
Website : www.pbtrustee.com.my
E-mail : pbtrustee@publicbank.com.my

Trustee for KLF, APRF, GBAY, DY-ADB, UHCE and OP-CDO

HSBC (Malaysia) Trustee Berhad

Business/Registered address

Level 19, Menara IQ, Lingkaran TRX,
55188 Tun Razak Exchange,
Kuala Lumpur, MALAYSIA.
Tel : (03) 2075 7800
Fax : (03) 8894 2611
Email : fs.client.services.myh@hsbc.com.my

Trustee for TI-MT, TI-TIP, LI-BI, TI-AT and OP-CIIO

Universal Trustee (Malaysia) Berhad

Business

No.1, Jalan Ampang, 3rd Floor
50450 Kuala Lumpur MALAYSIA
Tel : (03) 2070 8050
Fax : (03) 2031 8715, (03) 2032 3194
Website : www.universaltrustee.com.my
Email : info@utmb.com.my

Registered address

Lot 5, Level 10
Menara Great Eastern 2
No. 50, Jalan Ampang
50450 Kuala Lumpur

Note: You may refer to our website for an updated information on our details.

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1. FUNDS INFORMATION

1.1. FUNDS DETAILS

EQUITY FUNDS

1.1.1. PRINCIPAL MALAYSIA TITANS FUND

Fund Category/Type	: Equity / Growth.
Investment Objective	: To maximise capital growth over the medium to long-term through the stock market. <i>We will require your approval if there is any material change to the Fund's investment objective.</i>
Benchmark	: FTSE Bursa Malaysia Top 100 Index. Note: The Fund's benchmark is for performance comparison purpose only. You are cautioned that the risk profile of the Fund is higher than the benchmark. Information on the benchmark can be obtained from www.bursamalaysia.com .
Distribution Policy	: We have the discretion to distribute part or all of the Class's distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Class.
Base currency	: MYR

Investment Policy and Strategy

The Fund may invest between 70% to 98% (both inclusive) of its NAV in equities and other equity related securities. The Fund may also invest up to 28% of its NAV in other permissible investments. In line with its objective, the investment policy and strategy of the Fund will focus on investment in shares of companies with growth potential and listed on the main market. The Fund may opt to seek investment exposure via CIS that is in line with the Fund's objective, subject to the requirement of the GUTF. With effect from 10 July 2023, the Fund may invest up to 25% of its NAV in companies that are listed in any Eligible Market globally with some operations or businesses in Malaysia to capture growth opportunities.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund's NAV will be invested in equities and other equity related securities;
- up to 28% of the Fund's NAV in permissible investments; and
- at least 2% of the Fund's NAV in liquid assets.

The asset allocation will be reviewed periodically depending on the country's economic and stock market outlook. In a rising market, the 98% limit may be exceeded. However, we will seek to adjust this within a time frame approved by the Trustee.

We combine a top-down asset and sector allocation process with a bottom-up stock selection process. The asset allocation decision is made after a review of macroeconomic trends in Malaysia and other global economies. In particular, we analyze the direction of GDP growth, interest rates, inflation, currencies and government policies. We will then assess their impact on corporate earnings and determine if there are any predictable trends. These trends form the basis for sector selection. Stock selection is based on the growth style of equity investing. As such, the criteria for stock selection would include improving fundamentals and growth at reasonable valuations. Stock valuation fundamentals considered are earnings per share growth rate, return on equity, price earnings ratio and net tangible assets multiples.

As part of its risk management strategy, the Fund is constructed and managed within pre-determined guidelines. We employ an active asset allocation strategy depending upon the equity market expectations. Where appropriate, we will also employ an active trading strategy with frequency that will depend on the market conditions and the market outlook. The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:

- Regular review by the designated fund manager on the Fund's investment portfolio to maintain its liquidity level.
- Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of unitholders. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet unitholders' withdrawal requests.
- Suspension of withdrawal requests due to exceptional circumstances. During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. The action to suspend withdrawal requests from Unit holders shall be exercised only as a last resort by the Manager.

Note: Please refer to Section 3.10 for more information.

We may lower down the equity exposure when it feels that the equity market is close to its peak in term of valuations, and/or the market condition is unfavourable. In such circumstances, we may take a temporary defensive position by either (1) reducing its proportion of higher risk assets, such as equities and increase its asset allocation to lower risk assets, such as debt securities and liquid assets, to safeguard the investment portfolio of the Fund, and/or (2) investing in stocks that have low correlation to market movements. When deemed necessary, we may also utilize derivatives instruments, subject to the GUTF, for the purpose of hedging. In the event of a downgrade of a counter-party of an OTC derivative below the minimum long-term rating as per the GUTF, we reserve the right to deal with the OTC derivative in the best interest of the Unit holders.

If the Fund is an EPF-MIS approved fund, the investments made by the Fund will be subject to EPF's requirements. Please note there may be changes to the status of the Fund, you may refer to our website at www.principal.com.my or www.kwsp.gov.my for updated information.

1.1.2. PRINCIPAL MALAYSIA ENHANCED OPPORTUNITIES FUND

Fund Category/Type	: Equity / Growth.
Investment Objective	: To provide investors with long-term capital growth by investing principally in equities. The Fund also seeks to outperform the FTSE Bursa Malaysia KLCI benchmark. <i>We will require your approval if there is any material change to the Fund's investment objective.</i>
Benchmark	: FTSE Bursa Malaysia KLCI. Note: The Fund's benchmark is for performance comparison purpose only. You are cautioned that the risk profile of the Fund is higher than the benchmark. Information on the benchmark can be obtained from www.bursamalaysia.com .
Distribution Policy	: We have the discretion to distribute part or all of the Class's distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Class.
Base Currency	: MYR

Investment Policy and Strategy

The Fund will invest between 70% to 98% (both inclusive) of its NAV in equities and up to a maximum of 30% of its NAV may be invested in warrants and options. In line with its objective, the investment policy and strategy of the Fund will focus on investment in shares of companies with growth potential. The Fund may opt to seek investment exposure via CIS that is in line with the Fund's objective, subject to the requirement of the GUTF. Liquid assets may also be strategically used if we perceive that the downside risk of the market is high in the short-term. With effect from 10 July 2023, the Fund may invest up to 25% of its NAV in companies that are listed in any Eligible Market globally with some operations or businesses in Malaysia to capture growth opportunities.

The Fund will be managed with high tracking error. The investment strategy of the Fund will be predominantly based on bottom up stock selection instead of investing mainly in the stocks represented in the benchmark. Consequently, the Fund's individual stock and sector weightage will deviate significantly from the benchmark, thus leading to high tracking error. The strategy of the Fund includes utilizing liquid assets dynamically in the changing market conditions. For example, high level of cash holdings in the bearish market will result in higher tracking error as the cash positions helps minimize the degree of the decline in Fund's NAV as compared to the benchmark which have 100% exposure to the market downside.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund's NAV in equities;
- up to 30% of the Fund's NAV in warrants and options; and
- minimum of 2% of the Fund's NAV in liquid assets.

The asset allocation will be reviewed periodically depending on the country's economic and stock market outlook. We combine a top-down asset and sector allocation process with a bottom-up stock selection process. The asset allocation decision is made after a review of macroeconomic trends in Malaysia and other global economies. In particular, we analyze the direction of GDP growth, interest rates, inflation, currencies and government policies. We will then assess their impact on corporate earnings and determine if there are any predictable trends. These trends form the basis for sector selection. Stock selection is based on the growth style of equity investing. As such, the criteria for stock selection would include improving fundamentals and growth at reasonable valuations. Stock valuation fundamentals considered are earnings per share growth rate, return on equity, price earnings ratio and net tangible assets multiples.

As part of its risk management strategy, the Fund is constructed and managed within pre-determined guidelines. We employ an active asset allocation strategy depending upon the equity market expectations. Where appropriate, we will also employ an active trading strategy with frequency that will depend on the market conditions and the market outlook. The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:

- Regular review by the designated fund manager on the Fund's investment portfolio to maintain its liquidity level.
- Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of unitholders. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet unitholders' withdrawal requests.
- Suspension of withdrawal requests due to exceptional circumstances. During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. The action to suspend withdrawal requests from Unit holders shall be exercised only as a last resort by the Manager.

Note: Please refer to Section 3.10 for more information.

We may lower down the equity exposure when we feel that the equity market is close to its peak in term of valuations, and/or the market condition is unfavourable. In such circumstances, we may take a temporary defensive position by either (1) reducing its proportion of higher risk assets, such as equities and increase its asset allocation to lower risk assets, such as debt securities and liquid assets, to safeguard the investment portfolio of the Fund, and/or (2) investing in stocks that have low correlation to market movements. When deemed necessary, we may also utilize derivatives instruments, subject to the GUTF, for the purpose of hedging. In the event of a downgrade of a counter-party of an OTC derivative below the minimum long-term rating as per the GUTF, we reserve the right to deal with the OTC derivative in the best interest of the Unit holders.

If the Fund is an EPF-MIS approved fund, the investments made by the Fund will be subject to EPF's requirements. Please note there may be changes to the status of the Fund, you may refer to our website at www.principal.com.my or www.kwsp.gov.my for updated information.

1.1.3. PRINCIPAL MALAYSIA OPPORTUNITIES FUND

Fund Category/Type	: Equity / Growth.
Investment Objective	: To grow the value of investments over the long-term through investment in Malaysian shares. <i>We will require your approval if there is any material change to the Fund's investment objective.</i>
Benchmark	: FTSE Bursa Malaysia Top 100 Index. Note: <i>The Fund's benchmark is for performance comparison purpose only. You are cautioned that the risk profile of the Fund is higher than the benchmark. Information on the benchmark can be obtained from www.bursamalaysia.com.</i>
Distribution Policy	: No distribution is expected to be paid, however, distribution, if any, will be incidental and will vary from period to period depending on interest rates, market conditions and the performance of the Class.
Base Currency	: MYR

Investment Policy and Strategy

The Fund may invest between 70% to 98% (both inclusive) of the Fund's NAV in equities. The investment policy and strategy of the Fund will be to invest in stocks which are selected based on their future growth prospects. The Fund may opt to seek investment exposure via CIS that is in line with the Fund's objective, subject to the requirement of the GUTF. In addition, liquid assets may also be strategically used if we feel that the market downside risk is high in the short term. With effect from 10 July 2023, the Fund may invest up to 25% of its NAV in companies that are listed in any Eligible Market globally with some operations or businesses in Malaysia to capture growth opportunities.

The Fund will be managed with high tracking error. The investment strategy of the Fund will be predominantly based on bottom up stock selection instead of investing mainly in the stocks represented in the benchmark. Consequently, the Fund's individual stock and sector weightage will deviate significantly from the benchmark, thus leads to high tracking error. The strategy of the Fund includes utilizing liquid assets dynamically in the changing market conditions. For example, high level of cash holdings in the bearish market will result in higher tracking error as the cash positions helps minimize the degree of the decline in Fund's NAV as compared to the benchmark which have 100% exposure to the market downside.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund's NAV will be invested in equities; and
- at least 2% of the Fund's NAV in liquid assets.

The asset allocation will be reviewed periodically depending on the country's economic and stock market outlook. We combine a top-down asset and sector allocation process with a bottom-up stock selection process. The asset allocation decision is made after a review of macroeconomic trends in Malaysia and other global economies. In particular, we analyze the direction of GDP growth, interest rates, inflation, currencies and government policies. We will then assess their impact on corporate earnings and determine if there are any predictable trends. These trends form the basis for sector selection. Stock selection is based on the growth style of equity investing. As such, the criteria for stock selection would include improving fundamentals and growth at reasonable valuations. Stock valuation fundamentals considered are earnings per share growth rate, return on equity, price earnings ratio and net tangible assets multiples.

As part of its risk management strategy, the Fund is constructed and managed within pre-determined guidelines. We employ an active asset allocation strategy depending upon the equity market expectations. Where appropriate, we will also employ an active trading strategy with frequency that will depend on the market conditions and the market outlook. The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:

- Regular review by the designated fund manager on the Fund's investment portfolio to maintain its liquidity level.
- Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of unitholders. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet unitholders' withdrawal requests.
- Suspension of withdrawal requests due to exceptional circumstances. During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. The action to suspend withdrawal requests from Unit holders shall be exercised only as a last resort by the Manager.

Note: Please refer to Section 3.10 for more information.

We may lower down the equity exposure when we feel that the equity market is close to its peak in term of valuations, and/or the market condition is unfavourable. In such circumstances, we may take a temporary defensive position by either (1) reducing its proportion of higher risk assets, such as equities and increase its asset allocation to lower risk assets, such as corporate bonds, government securities and liquid assets, to safeguard the investment portfolio of the Fund, and/or (2) investing in stocks that have low correlation to market movements. When deemed necessary, we may also utilize derivatives instruments, subject to the GUTF, for the purpose of hedging. In the event of a downgrade of a counter-party of an OTC derivative below the minimum long-term rating as per the GUTF, we reserve the right to deal with the OTC derivative in the best interest of the Unit holders.

If the Fund is an EPF-MIS approved fund, the investments made by the Fund will be subject to EPF's requirements. Please note there may be changes to the status of the Fund, you may refer to our website at **www.principal.com.my** or **www.kwsp.gov.my** for updated information.

1.1.4. PRINCIPAL TITANS GROWTH & INCOME FUND

Fund Category/Type	: Equity / Growth.
Investment Objective	: To achieve capital appreciation over the medium to long-term through all types of investments that have the potential for above average growth over time. <i>We will require your approval if there is any material change to the Fund's investment objective.</i>
Benchmark	: 70% FTSE Bursa Malaysia Top 100 Index + 30% MSCI AC Asia ex Japan. Note: <i>The benchmark is for performance comparison only. The benchmark is customised as such to align it closer to the structure of the portfolio and to reflect the composition of the portfolio in line with the markets they operate in. You are cautioned that the risk profile of the Fund is higher than the benchmark.</i> <i>Information on FTSE Bursa Malaysia Top 100 Index can be obtained from www.bursamalaysia.com.</i> <i>Information on MSCI AC Asia ex Japan can be obtained from www.mscibarra.com/products/indices.</i> <i>Information on the benchmark can be obtained from www.principal.com.my.</i>
Distribution Policy	: We have the discretion to distribute part or all of the Class's distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Class.
Base Currency	: MYR

Investment Policy and Strategy

The Fund may invest between 70% to 98% (both inclusive) of its NAV in equities in order to gain long-term capital growth. The Fund may opt to invest in foreign equities up to a maximum of 50% of its NAV. Such foreign equities may be securities of companies domiciled in, listed in, and/or have significant operations in Asia ex Japan. 'Significant operations' means major businesses of the company. For example, the Fund can invest in a company with significant business/operations in Thailand but listed on the New York Stock Exchange. The threshold for 'significant operations' would be if more than 25% of total group revenue derives from countries in Asia ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). Notwithstanding, up to 25% of the Fund's investment in foreign equities may be from companies that are listed in any Eligible Market globally to capture growth opportunities with effect from 10 July 2023. In line with its objective, the investment policy and strategy of the Fund will be to invest primarily in equities, with a bias towards growth stocks that have the potential to deliver long-term capital appreciation and to a lesser extent focus on dividend yielding stocks that provides income. The Fund may opt to seek investment exposure via CIS that is in line with the Fund's objective, subject to the requirement of the GUTF. To a lesser extent, the Fund invests in liquid assets primarily for the purpose of cash management.

Principal Singapore will advise and provide investment research and stock recommendation to us in accordance with the investment objective and within the investment restrictions of the Fund.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund's NAV will be invested in equities; and
- at least 2% of the Fund's NAV in liquid assets.

The asset allocation strategy will be reviewed periodically depending on the country's economic and stock market outlook. In a rising market, this 98% limit may be exceeded. However, we will seek to adjust this within a time frame approved by the Trustee.

We combine a top-down asset and sector allocation process with a bottom-up stock selection process. The asset allocation decision is made after a review of macroeconomic trends in Malaysia and other global economies. In particular, we analyze the direction of GDP growth, interest rates, inflation, currencies and government policies. We will then assess their impact on corporate earnings and determine if there are any predictable trends. These trends form the basis for sector selection. Stock selection is based on the growth style of equity investing. As such, the criteria for stock selection would include improving fundamentals and growth at reasonable valuations. Stock valuation fundamentals considered are earnings per share growth rate, return on equity, price earnings ratio and net tangible assets multiples.

The Fund may invest up to 50% of its NAV in Eligible Markets. Where necessary, we will obtain the licenses/permits for investments in countries that require licenses/permits. If we are unable to obtain the necessary licenses/permits, or the licenses/permits are revoked or not renewed (as the case may be), we will seek to invest in other accessible markets. Notwithstanding the aforesaid, we may decide not to invest in foreign securities as may be agreed upon by us from time to time.

As part of its risk management strategy, the Fund is constructed and managed within pre-determined guidelines. We employ an active asset allocation strategy depending upon the equity market expectations. Where appropriate, we will also employ an active trading strategy with frequency that will depend on the market conditions and the market outlook. The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:

- Regular review by the designated fund manager on the Fund's investment portfolio to maintain its liquidity level.
- Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of unitholders. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet unitholders' withdrawal requests.
- Suspension of withdrawal requests due to exceptional circumstances. During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. The action to suspend withdrawal requests from Unit holders shall be exercised only as a last resort by the Manager.

Note: Please refer to Section 3.10 for more information.

We may lower down the equity exposure when we feel that the equity market is close to its peak in term of valuations, and/or the market condition is unfavourable. In such circumstances, we may take a temporary defensive position by either (1) reducing its proportion of higher risk assets, such as equities and increase its asset allocation to lower risk assets, such as debt securities and liquid assets, to safeguard the investment portfolio of the Fund, and/or (2) investing in stocks that have low correlation to market movements. When deemed necessary, we may also utilize derivatives instruments, subject to the GUTF, for the purpose of hedging. In the event of a downgrade of a counter-party of an OTC derivative below the minimum long-term rating as per the GUTF, we reserve the right to deal with the OTC derivative in the best interest of the Unit holders.

If the Fund is an EPF-MIS approved fund, the investments made by the Fund will be subject to EPF's requirements. Please note there may be changes to the status of the Fund, you may refer to our website at www.principal.com.my or www.kwsp.gov.my for updated information.

1.1.5. PRINCIPAL TITANS INCOME PLUS FUND

Fund Category/Type	: Equity / Income.
Investment Objective	: To provide investors with an opportunity to gain consistent and stable income by investing in a diversified portfolio of dividend yielding equities and fixed income securities. The Fund may also provide moderate capital growth potential over the medium to long-term period. <i>We will require your approval if there is any material change to the Fund's investment objective.</i>
Benchmark	: 50% FTSE Bursa Malaysia Top 100 Index + 50% MSCI AC Asia ex Japan. Note: <i>The benchmark is for performance comparison only. The benchmark is customised as such to align it closer to the structure of the portfolio and to reflect the composition of the portfolio in line with the markets they operate in and its objectives. You are cautioned that the risk profile of the Fund is higher than the benchmark.</i> <i>Information on FTSE Bursa Malaysia Top 100 Index can be obtained from www.bursamalaysia.com.</i> <i>Information on MSCI AC Asia ex Japan can be obtained from www.mscibarra.com/products/indices.</i> <i>Information on the benchmark can be obtained from www.principal.com.my.</i>
Distribution Policy	: Distribution (if any) is expected to be distributed annually, depending on the performance of the Class and at our discretion.
Base Currency	: MYR

Investment Policy and Strategy

The Fund may invest between 70% to 98% (both inclusive) of its NAV in equities and equity related securities in order to gain long-term capital growth. The Fund may opt to invest in foreign equities up to a maximum of 100% of its NAV. Such foreign equities are securities of companies domiciled in, listed in, and/or have significant operations in Asia ex Japan. 'Significant operations' means major businesses of the company. For example, the Fund can invest in a company with significant business or operations in Thailand but listed on the New York Stock Exchange. The threshold for 'significant operations' would be if more than 25% of total group revenue derives from countries in Asia ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). Notwithstanding, up to 25% of the Fund's investment in foreign equities may be from companies that are listed in any Eligible Market globally to capture growth opportunities with effect from 10 July 2023. In line with its objective, the investment policy and strategy of the Fund will be to invest in a diversified portfolio of high dividend yielding stocks and/or fixed income securities aimed at providing a stable income stream in the form of distributions to investors. The Fund may also opt to seek investment exposure via CIS that is in line with the Fund's objective, subject to the requirement of the GUTF.

Before 10 July 2023,

The Fund may opt to invest in foreign equities up to a maximum of 70% of its NAV. Notwithstanding, up to 20% of the Fund's investment in foreign equities may be from companies that are listed globally with some operations or businesses within the Asia ex Japan region to capture growth opportunities with effect from 16 August 2021.

Principal Singapore will advise and provide investment research and stock recommendation to us in accordance with the investment objective and within the investment restrictions of the Fund.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund's NAV in equities and equity related securities;
- up to 28% of the Fund's NAV in fixed income securities; and
- at least 2% of the Fund's NAV in liquid assets.

We combine a top-down asset and sector allocation process with a bottom-up stock selection process. The asset allocation decision is made after a review of macroeconomic trends in Malaysia and other global economies. In particular, we analyze the direction of GDP growth, interest rates, inflation, currencies and government policies. We will then assess their impact on corporate earnings and determine if there are any predictable trends. These trends form the basis for sector selection. The criteria for stock selection would include stocks that have a medium-term (2 to 5 years) dividend record or a yearly distribution policy. We will also actively search for under-valued high dividend yielding stocks that may also offer promising long-term capital appreciation. Stock valuation fundamentals considered are earnings per share growth rate, return on equity, price earnings ratio and net tangible assets multiples.

The Fund may invest up to 100% of its NAV in Eligible Markets. Where necessary, we will obtain the necessary licenses/permits for investments in countries that require licenses/permits. If we are unable to obtain the necessary licenses/permits, or the licenses/permits are revoked or not renewed (as the case may be), we will seek to invest in other accessible markets. Notwithstanding the aforesaid, we may decide not to invest in foreign securities as may be agreed upon by us from time to time.

As part of its risk management strategy, the Fund is constructed and managed within pre-determined guidelines. We employ an active asset allocation strategy depending upon the equity market expectations. Where appropriate, we will also employ an active trading strategy with frequency that will depend on the market conditions and the market outlook. We will underweight/overweight equities and/or fixed income securities, within the asset allocation limit, when necessary. The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:

- Regular review by the designated fund manager on the Fund's investment portfolio to maintain its liquidity level.
- Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of unitholders. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet unitholders' withdrawal requests.
- Suspension of withdrawal requests due to exceptional circumstances. During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. The action to suspend withdrawal requests from Unit holders shall be exercised only as a last resort by the Manager.

Note: Please refer to Section 3.10 for more information.

As this Fund is defensive in nature and designed to cater for the needs of more risk-averse equity investors, this Fund will serve well in bear market conditions. However, in bull market conditions the Fund will underperform the market as we will not take on more risk to divert into highly volatile aggressive stocks. Further, in times of adversity in equity markets and as part of its risk management strategy, we may from time to time reduce its proportion of higher risk assets, such as equities, and increase its asset allocation to lower risk assets, such as debt securities and liquid assets, to safeguard the investment portfolio of the Fund provided that such investments are within the investment objective of the Fund. When deemed necessary, we may also utilise derivatives instruments, subject to the GUTF, for the purpose of hedging. In the event of a downgrade of a counter-party of an OTC derivative below the minimum long-term rating as per the GUTF, we reserve the right to deal with the OTC derivative in the best interest of the Unit holders.

If the Fund is an EPF-MIS approved fund, the investments made by the Fund will be subject to EPF's requirements. Please note there may be changes to the status of the Fund, you may refer to our website at www.principal.com.my or www.kwsp.gov.my for updated information.

1.1.6. PRINCIPAL SMALL CAP OPPORTUNITIES FUND

Fund Category/Type	: Equity (Small-Cap) / Growth.
Investment Objective	: To provide growth to the value of Unit holders' investments over the long-term in an equity fund by investing in undiscovered smaller companies listed on Bursa Malaysia. <i>We will require your approval if there is any material change to the Fund's investment objective.</i>
Benchmark	: FTSE Bursa Malaysia Small Cap Index. Note: The Fund's benchmark is for performance comparison purpose only. You are cautioned that the risk profile of the Fund is higher than the benchmark. Information on the benchmark can be obtained from www.bursamalaysia.com .
Distribution Policy	: No distribution is expected to be paid, however, distribution, if any, will be incidental and will vary from period to period depending on interest rates, market conditions and the performance of the Class.
Base Currency	: MYR

Investment Policy and Strategy

The Fund may invest between 70% to 98% (both inclusive) of the Fund's NAV in shares of smaller companies* that are listed on Bursa Malaysia. The investment policy and strategy of the Fund will therefore focus on investments in securities of such smaller companies with potential growth and hands-on management policies but may be under-researched by major stock broking houses. The Fund may opt to seek investment exposure via CIS that is in line with the Fund's objective, subject to the requirement of the GUTF. To a lesser extent, the Fund may also invest in other permissible investments such as liquid assets primarily for the purpose of cash management. In addition, liquid assets may be strategically used if we feel that the market downside risk is high in the short-term. With effect from 10 July 2023, the Fund may invest up to 25% of its NAV in smaller companies* that are listed in any Eligible Markets globally with some operations or businesses in Malaysia to capture growth opportunities.

Before 10 July 2023.

**smaller companies in this context refers to companies that are listed on Bursa Malaysia with market capitalization of up to three (3) billion MYR at the point of purchase. However, should there be lack of liquidity or when we deem necessary to reduce volatility of the Fund, the Fund may invest up to 20% of its NAV in companies with market capitalization above three (3) billion MYR at the point of purchase.*

With effect from 10 July 2023.

**smaller companies in this context referring to the following:*

- (a) companies with market capitalization of up to five (5) billion MYR at the point of purchase; or
- (b) stocks of companies which form the bottom 15% of the cumulative market capitalisation of the market which the stock is listed on at the point of purchase.

However, the Fund may invest up to 20% of its NAV in companies with market capitalization above five (5) billion MYR at the point of purchase.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund's NAV will be invested in equities; and
- at least 2% of the Fund's NAV in liquid assets.

The asset allocation strategy will be reviewed periodically depending on the country's economic and stock market outlook. In a rising market, this 98% limit may be exceeded. However, we will seek to adjust this within a time frame approved by the Trustee.

We combine a top-down asset and sector allocation process with a bottom-up stock selection process. The asset allocation decision is made after a review of macroeconomic trends in Malaysia and other global economies. In particular, we analyze the direction of GDP growth, interest rates, inflation, currencies and government policies. We will then assess their impact on corporate earnings and determine if there are any predictable trends. These trends form the basis for sector selection. Stock selection is based on the growth style of equity investing. As such, the criteria for stock selection would include improving fundamentals and growth at reasonable valuations. Stock valuation fundamentals considered are earnings per share growth rate, return on equity, price earnings ratio and net tangible assets multiples.

As small cap stocks tend to be under-researched, we will depend upon proprietary research and selected research from brokers. In particular, stock selection will depend upon the growth potential of the company and its industry, management quality, franchise value and corporate governance considerations. The key strategy is to invest in companies that are trading below their intrinsic values and selling them when the share prices have passed their intrinsic value.

As part of its risk management strategy, the Fund is constructed and managed within pre-determined guidelines. We employ an active asset allocation strategy depending upon the equity market expectations. Where appropriate, we will also employ an active trading strategy with frequency that will depend on the market conditions and the market outlook. The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:

- Regular review by the designated fund manager on the Fund's investment portfolio to maintain its liquidity level.
- Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of unitholders. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet unitholders' withdrawal requests.
- Suspension of withdrawal requests due to exceptional circumstances. During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. The action to suspend withdrawal requests from Unit holders shall be exercised only as a last resort by the Manager.

Note: Please refer to Section 3.10 for more information.

We may lower down the equity exposure when we feel that the equity market is close to its peak in term of valuations, and/or the market condition is unfavourable. In such circumstances, we may take a temporary defensive position by either (1) reducing its proportion of higher risk assets, such as equities and increase its asset allocation to lower risk assets, such as debt securities and liquid assets, to safeguard the investment portfolio of the Fund, and/or (2) investing in stocks that have low correlation to market movements. When deemed necessary, we may also utilize derivatives instruments, subject to the GUTF, for the purpose of hedging. In the event of a downgrade of a counter-party of an OTC derivative below the minimum long-term rating as per the GUTF, we reserve the right to deal with the OTC derivative in the best interest of the Unit holders.

If the Fund is an EPF-MIS approved fund, the investments made by the Fund will be subject to EPF's requirements. Please note there may be changes to the status of the Fund, you may refer to our website at www.principal.com.my or www.kwsp.gov.my for updated information.

1.1.7. PRINCIPAL KLCI-LINKED FUND

Fund Category/Type	: Equity / Index-tracking.
Investment Objective	: To achieve medium to long-term capital appreciation by seeking to match the performance of the FTSE Bursa Malaysia KLCI. <i>We will require your approval if there is any material change to the Fund's investment objective.</i>
Benchmark	: FTSE Bursa Malaysia KLCI. Note: The Fund's benchmark is for performance comparison purpose only. Information on the benchmark can be obtained from www.bursamalaysia.com .
Distribution Policy	: No distribution is expected to be paid. However, distribution, if any, will be incidental and will vary from period to period depending on interest rates, market conditions and the performance of the Fund.
Base Currency	: MYR

Investment Policy and Strategy

The Fund is an index fund which aims to track the movement of the FTSE Bursa Malaysia KLCI. The Fund's indexing strategy is to hold a representative sample of the securities that make up its underlying index. Thus, the Fund normally invests at least 90% of its NAV in the index stocks representing the top 95%-98% of the index weights. As such, the Fund may invest up to 30 index stocks, being the representative index stocks of the FTSE Bursa Malaysia KLCI. The Fund may also utilize index futures to ensure it is fully invested at all times and to reduce transaction costs.

The asset allocation strategy for this Fund is as follows:

- up to 99.5% of the Fund will be invested in securities and other permissible investments; and
- at least 0.5% in liquid assets.

The investment strategy adheres to the GUTF pertaining to index funds. The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:

- Regular review by the designated fund manager on the Fund's investment portfolio to maintain its liquidity level.
- Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of unitholders. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet unitholders' withdrawal requests.
- Suspension of withdrawal requests due to exceptional circumstances. During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. The action to suspend withdrawal requests from Unit holders shall be exercised only as a last resort by the Manager.

Note: Please refer to Section 3.10 for more information.

Given that the Fund aims to match the performance of the benchmark, our primary concern is to track the benchmark. Therefore, we only make adjustments to the Fund's holdings when changes to index weightings occur. This means that we will not significantly alter the Fund's holdings in response to adverse market conditions, economic, political, or any other conditions, unless these events alter the index weightings of the index component stocks.

Tracking error of this Fund against its benchmark could potentially be caused by factors such as fees and expenses of the Fund, creations and withdrawals of the Fund, changes to regulatory policies affecting the Fund, imperfect correlation between the Fund's assets and index constituents, changes to the index and corporate actions affecting the index component stocks.

In order to reduce the risk of tracking error, the Fund invests only in index stocks in similar weightings as the index and utilizes index futures. In addition, creations and withdrawals of the Fund, index changes and corporate actions are being monitored closely to ensure quick remedial actions are taken. We monitor the investment portfolio on a daily basis and rebalances the Fund when there are changes to the index and/or to the portfolio composition. The acceptable tracking error for the Fund in attempting to track the index is 5%.

The weightings of the top 10 component securities as at 30 April 2023 are as follows:

No.	Counter	FTSE Bursa Malaysia KLCI (%)	(%) of holdings as against the Fund's NAV
1.	Malayan Banking Bhd	13.65%	9.79%
2.	Public Bank Bhd	12.25%	8.73%
3.	CIMB Group Hldgs Bhd	7.59%	7.92%
4.	Tenaga Nasional Bhd	6.36%	7.18%
5.	Petronas Chemicals Group Bhd	4.44%	4.53%
6.	Press Metal Aluminium Holdings	4.02%	4.31%
7.	Celcomdigi	3.84%	3.65%

No.	Counter	FTSE Bursa Malaysia KLCI (%)	(%) of holdings as against the Fund's NAV
8.	IHH Healthcare Bhd	3.74%	3.79%
9.	Sime Darby Plantation	3.40%	3.47%
10.	Axiata Group Bhd	3.08%	3.17%

Source: FTSE Factsheet and Principal Malaysia.

The index weightings may change as and when prices fluctuate, therefore there may be periods in between portfolio adjustments when the actual holdings may differ from the weightings in the index. The latest weightings of the top 10 component securities are available in our monthly fund factsheet on our website at www.principal.com.my.

If the Fund is an EPF-MIS approved fund, the investments made by the Fund will be subject to EPF's requirements. Please note there may be changes to the status of the Fund, you may refer to our website at www.principal.com.my or www.kwsp.gov.my for updated information.

About the FTSE Bursa Malaysia KLCI

The FTSE Bursa Malaysia KLCI is designed by integrating KLCI with an internationally accepted index calculation methodology to provide global relevance, recognition and reach. It is a market barometer made up of primary market movers which will more aptly define market activities while remaining representative of the Malaysian stock market.

The FTSE Bursa Malaysia KLCI comprises the largest 30 companies listed on the Main Market of Bursa Malaysia by full market capitalisation that meet the eligibility requirements of the FTSE Bursa Malaysia Ground Rules. The index will be calculated by FTSE and will adopt the FTSE Bursa Malaysia index methodology, which emphasizes on free float and liquidity screens for a clearer representation of the market. Any error in the calculation or non-adherence to the index methodology may affect the accuracy and completeness of the index computation.

For further information on FTSE Bursa Malaysia KLCI, please refer to www.ftserussell.com.

There is no guarantee or assurance of exact or identical replication at any time of the performance of the index.

The index composition may change and component securities of the underlying index may be delisted.

The investment of the Fund may be concentrated in securities of a single issuer or several issuers.

MIXED ASSET FUNDS

1.1.8. PRINCIPAL LIFETIME BALANCED FUND

Fund Category/Type	: Balanced / Growth.
Investment Objective	: To grow the value of investments over the long-term through investment in a diversified mix of Malaysian assets. <i>We will require your approval if there is any material change to the Fund's investment objective.</i>
Benchmark	: 70% FBM 100 + 30% CIMB Bank 1-Month Fixed Deposit Rate. Note: The benchmark is for performance comparison only. The benchmark is customised as such to align it closer to the structure of the portfolio and the objective of the Fund. You are cautioned that the risk profile of the Fund is higher than the benchmark. Information on the FBM 100 can be obtained from www.bursamalaysia.com . Information on the CIMB Bank 1-Month Fixed Deposit Rate can be obtained from www.cimbbank.com.my . Information on the benchmark can be obtained from www.principal.com.my .
Distribution Policy	: Distribution (if any) is expected to be distributed once a year every January at our discretion.
Base Currency	: MYR

Investment Policy and Strategy

The Fund aims to invest in a diversified portfolio of equities and fixed income investments. In line with its objective, the investment policy and strategy will be to maintain a balanced portfolio between equities and fixed income investments in the ratio of 70:30. The fixed income portion of the Fund is to provide some capital stability to the Fund whilst the equity portion will provide the added return in a rising market. The investments by the Fund in equity securities shall be between 50% to 70% (both inclusive) of its NAV and investments in fixed income securities and liquid assets shall not be less than 30% of its NAV with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC or by local rating agency(ies) of the country of issuance or "BBB-" by S&P or equivalent rating by any other international rating agencies. The Fund may invest up to 40% of its NAV in Unrated Fixed Income Securities. The Fund may opt to seek investment exposure via CIS that is in line with the Fund's objective, subject to the requirement of the GUTF. With effect from 10 July 2023, the Fund may invest up to 25% of its NAV in any Eligible Market globally with some operations or businesses in Malaysia to capture growth opportunities.

The asset allocation strategy for this Fund is as follows:

- the equity securities will be between 50% to 70% (both inclusive) of the Fund's NAV;
- investments in fixed income securities and liquid assets shall not be less than 30% of the Fund's NAV;
- up to 40% of the Fund's NAV may be in Unrated Fixed Income Securities; and
- at least 2% of the Fund's NAV in liquid assets.

The asset allocation will be reviewed periodically depending on the country's economic and stock market outlook. In a rising market, the 70% limit may be exceeded. However, we will seek to adjust this within a time frame approved by the Trustee. We will adopt an active trading strategy with frequency that will depend on the market conditions and the market outlook.

For the equities portion, we combine a top-down asset and sector allocation process with a bottom-up stock selection process. The asset allocation decision is made after a review of macroeconomic trends in Malaysia and other global economies. In particular, we analyze the direction of GDP growth, interest rates, inflation, currencies and government policies. We will then assess their impact on corporate earnings and determine if there are any predictable trends. These trends form the basis for sector selection. Stock selection is based on the growth style of equity investing. As such, the criteria for stock selection would include improving fundamentals and growth at reasonable valuations. Stock valuation fundamentals considered are earnings per share growth rate, return on equity, price earnings ratio and net tangible assets multiples.

As for the fixed income portion, we formulate an interest rate outlook by considering factors such as the Malaysian inflation rate, monetary policies and economic growth. With an interest rate outlook and yield curve analysis, we identify the weighting of the investment tenure and credit for the Fund. In the unlikely event of a credit rating downgrade, we reserve the right to deal with the security in your best interest. As an active fund manager, we have in place flexible tolerance limits to cater to such situations. For example, we can continue to hold the downgraded security if the immediate disposal of the security would not be in your best interest.

As part of its risk management strategy, the Fund is constructed and managed within pre-determined guidelines. Essentially, we employ an active asset allocation strategy depending upon the equity market expectations and at the same time monitors the bond portfolio according to three (3) parameters: tenure, credit ratings and sector. The duration of the bond portfolio is also monitored and modified according to our interest rate outlook (i.e. the sensitivity of the portfolio to interest rate changes). The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:

- Regular review by the designated fund manager on the Fund's investment portfolio to maintain its liquidity level.
- Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of unitholders. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet unitholders' withdrawal requests.
- Suspension of withdrawal requests due to exceptional circumstances. During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. The action to suspend withdrawal requests from Unit holders shall be exercised only as a last resort by the Manager.

Note: Please refer to Section 3.10 for more information.

In response to adverse conditions and as part of its risk management strategy, we may from time to time reduce its proportion of higher risk assets, such as equities and increase its asset allocation to lower risk assets, such as debt securities and liquid assets, to safeguard the investment portfolio of the Fund provided that such investments are within the investment objective of the Fund. Additionally, for investments in debt markets, we may reduce holdings in long tenured assets and channel these moneys into short-term interest bearing deposits. When deemed necessary, we may also utilize derivatives instruments, subject to the GUTF, for the purpose of hedging. In the event of a downgrade of a counter-party of an OTC derivative below the minimum long-term rating as per the GUTF, we reserve the right to deal with the OTC derivative in the best interest of the Unit holders.

If the Fund is an EPF-MIS approved fund, the investments made by the Fund will be subject to EPF's requirements. Please note there may be changes to the status of the Fund, you may refer to our website at **www.principal.com.my** or **www.kwsp.gov.my** for updated information.

1.1.9. PRINCIPAL LIFETIME BALANCED INCOME FUND

Fund Category/Type	: Balanced / Growth & Income.
Investment Objective	: To seek long-term growth in capital and income by investing in all types of investments. <i>We will require your approval if there is any material change to the Fund's investment objective.</i>
Benchmark	: 60% FBM 100 + 40% CIMB Bank 1-month Fixed Deposit Rate. Note: <i>The benchmark is for performance comparison only. The benchmark is customised as such to align it closer to the structure of the portfolio and the objective of the Fund. You are cautioned that the risk profile of the Fund is higher than the benchmark.</i> <i>Information on FBM 100 can be obtained from www.bursamalaysia.com.</i> <i>Information on CIMB Bank 1-month Fixed Deposit Rate can be obtained from CIMB Bank website www.cimbbank.com.my.</i> <i>Information on the benchmark can be obtained from www.principal.com.my.</i>
Distribution Policy	: We have the discretion to distribute part or all of the Class's distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Class.
Base Currency	: MYR

Investment Policy and Strategy

The Fund aims to invest in a diversified portfolio of equities and fixed income investments. In line with the objective of the Fund, the investment policy and strategy of the Fund will be to maintain a balanced portfolio between equities and fixed income investments in the ratio of 60:40. The investments by the Fund in equity securities shall not exceed 60% of the NAV of the Fund and investments in fixed income securities and liquid assets shall not be less than 40% of the NAV of the Fund with a minimum credit rating of "BBB3" or "P2" by RAM or equivalent rating by MARC or by local rating agency(ies) of the country of issuance or "BBB-" by S&P or equivalent rating by any other international rating agencies. The Fund may invest up to 40% of its NAV in Unrated Fixed Income Securities. The fixed income portion will provide capital stability to the Fund whilst the equity portion will provide the added return in a rising market. The Fund may opt to seek investment exposure via CIS that is in line with the Fund's objective, subject to the requirement of the GUTF.

The asset allocation strategy for this Fund is as follows:

- up to 60% of the Fund's NAV in equity securities;
- at least 40% of the Fund's NAV in fixed income securities and liquid asset;
- at least 2% of the Fund's NAV must be maintained in liquid assets; and
- up to 40% of the Fund's NAV may be in Unrated Fixed Income Securities.

The asset allocation will be reviewed periodically depending on the country's economic and stock market outlook. In a rising market, the 60% limit may be exceeded. However, we will seek to adjust this within a time frame approved by the Trustee. We will adopt an active trading strategy with frequency that will depend on the market conditions and the market outlook.

For the fixed income portion, we formulate the interest rate outlook by considering factors such as the Malaysian inflation rate, monetary policies and economic growth. With an interest rate outlook and yield curve analysis, we identify the weighting of the investment tenure and credit for the Fund. In the unlikely event of a credit rating downgrade, we reserve the right to deal with the security in your best interest. As active fund managers, we have in place flexible tolerance limits to cater to such situations. For example, we can continue to hold the downgraded security if the immediate disposal of the security would not be in your best interest.

For the equities portion, we combine a top-down asset and sector allocation process with a bottom-up stock selection process. The asset allocation decision is made after a review of macroeconomic trends in Malaysia and other global economies. In particular, we analyze the direction of GDP growth, interest rates, inflation, currencies and government policies. We will then assess their impact on corporate earnings and determine if there are any predictable trends. These trends form the basis for sector selection. Stock selection is based on the growth style of equity investing. As such, the criteria for stock selection would include improving fundamentals and growth at reasonable valuations. Stock valuation fundamentals considered are earnings per share growth rate, return on equity, price earnings ratio and net tangible assets multiples.

The Fund may invest up to 30% of its NAV in Eligible Markets. Where necessary, we will obtain the licenses/permits for investments in countries that require licenses/permits. If we are unable to obtain the necessary licenses/permits, or the licenses/permits are revoked or not renewed (as the case may be), we will seek to invest in other accessible markets. Notwithstanding the aforesaid, we may decide not to invest in foreign securities.

As part of its risk management strategy, the Fund is constructed and managed within pre-determined guidelines. Essentially, we employ an active asset allocation strategy depending upon the equity market expectations, and at the same time monitors the bond portfolio according to three (3) parameters: tenure, credit ratings and sector. The duration of the bond portfolio is also monitored and modified according to the Manager's interest rate outlook (i.e. the sensitivity of the portfolio to interest rate changes). The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:

- Regular review by the designated fund manager on the Fund's investment portfolio to maintain its liquidity level.
- Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of unitholders. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet unitholders' withdrawal requests.
- Suspension of withdrawal requests due to exceptional circumstances. During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. The action to suspend withdrawal requests from Unit holders shall be exercised only as a last resort by the Manager.

Note: Please refer to Section 3.10 for more information.

In response to adverse conditions and as part of its risk management strategy, we may from time to time reduce its proportion of higher risk assets, such as equities and increase its asset allocation to lower risk assets, such as debt securities and liquid assets, to safeguard the investment portfolio of the Fund provided that such investments are within the investment objective of the Fund. Additionally, for investments in debt markets, we may reduce holdings in long tenured assets and channel these moneys into short-term interest-bearing deposits. When deemed necessary, we may also utilize derivatives instruments, subject to the GUTF, for the purpose of hedging. In the event of a downgrade of a counter-party of an OTC derivative below the minimum long-term rating as per the GUTF, we reserve the right to deal with the OTC derivative in the best interest of the Unit holders.

If the Fund is an EPF-MIS approved fund, the investments made by the Fund will be subject to EPF's requirements. Please note there may be changes to the status of the Fund, you may refer to our website at www.principal.com.my or www.kwsp.gov.my for updated information.

1.1.10. PRINCIPAL DYNAMIC ENHANCED MALAYSIA INCOME FUND

Fund Category/Type	: Balanced / Income.
Investment Objective	: To provide capital growth over the medium to long-term as well as income distributions. <i>We will require your approval if there is any material change to the Fund's investment objective.</i>
Benchmark	: 40% FBM 100 + 60% CIMB Bank 1-Month Fixed Deposit Rate. Note: <i>The benchmark is for performance comparison only. The benchmark is customised as such to align it closer to the structure of the portfolio and the objective of the Fund. You are cautioned that the risk profile of the Fund is higher than the benchmark.</i> <i>Information on the FBM 100 can be obtained from www.bursamalaysia.com.</i> <i>Information on the CIMB Bank 1-Month Fixed Deposit Rate can be obtained from www.cimbbank.com.my.</i> <i>Information on the benchmark can be obtained from www.principal.com.my.</i>
Distribution Policy	: Distribution (if any) is expected to be distributed half-yearly in January and July each year at our discretion.
Base Currency	: MYR

Investment Policy and Strategy

The Fund aims to invest in a diversified portfolio of primarily fixed income investments and some exposures in equities. The Fund may invest between 20% to 80% (both inclusive) of its NAV in debt securities with a minimum credit rating of “BBB3” or “P2” by RAM or equivalent rating by MARC or by local rating agency(ies) of the country of issuance or “BBB-” by S&P or equivalent rating by any other international rating agencies. The Fund may also invest between 20% to 80% (both inclusive) of its NAV in equities. Up to 40% of the Fund's NAV may be invested in Unrated Fixed Income Securities. In line with the objective of the Fund, the investment policy and strategy of the Fund is to invest primarily in fixed income securities in order to provide streams of income and some capital stability, whilst having some exposure to equities in order to provide growth and added return in a rising market. Under normal market conditions, the Fund will remain invested 40% to 60% of its NAV in fixed income securities and equities. However, the Fund has the flexibility to swing between 20% to 80% of its NAV in fixed income securities and equities depending on the market conditions. The Fund may also opt to seek investment exposure via CIS that is in line with the Fund's objective, subject to the requirement of the GUTF.

The asset allocation strategy for this Fund is as follows:

- between 20% to 80% (both inclusive) of the Fund's NAV in fixed income securities and liquid assets;
- between 20% to 80% (both inclusive) of the Fund's NAV in equities; and
- up to 40% of the Fund's NAV in Unrated Fixed Income Securities.

The asset allocation will be reviewed periodically depending on the country's economic and stock market outlook. We will adopt an active trading strategy with frequency that will depend on the market conditions and the market outlook.

For the fixed income portion, we formulate the interest rate outlook by considering factors such as the Malaysian inflation rate, monetary policies and economic growth. With an interest rate outlook and yield curve analysis, we identify the weighting of the investment tenure and credit for the Fund. In the unlikely event of a credit rating downgrade, we reserve the right to deal with the security in the best interest of the Unit holders. As active fund managers, we have in place flexible tolerance limits to cater to such situations. For example, we can continue to hold the downgraded security if the immediate disposal of the security would not be in your best interest.

For the equities portion, we combine a top-down asset and sector allocation process with a bottom-up stock selection process. The asset allocation decision is made after a review of macroeconomic trends in Malaysia and other global economies. In particular, we analyze the direction of GDP growth, interest rates, inflation, currencies and government policies. We will then assess their impact on corporate earnings and determine if there are any predictable trends. These trends form the basis for sector selection. Stock selection is based on the growth style of equity investing. As such, the criteria for stock selection would include improving fundamentals and growth at reasonable valuations. Stock valuation fundamentals considered are earnings per share growth rate, return on equity, price earnings ratio and net tangible assets multiples.

The Fund may invest up to 30% of its NAV in Eligible Markets. Where necessary, we will obtain the licenses/permits for investments in countries that require licenses/permits. If we are unable to obtain the necessary licenses/permits, or the licenses/permits are revoked or not renewed (as the case may be), we will seek to invest in other accessible markets. Notwithstanding the aforesaid, we may decide not to invest in foreign securities.

As part of its risk management strategy, the Fund is constructed and managed within pre-determined guidelines. Essentially, we employ an active asset allocation strategy depending upon the equity market expectations, and at the same time monitors the bond portfolio according to three (3) parameters: tenure, credit ratings and sector. The duration of the bond portfolio is also monitored and modified according to our interest rate outlook (i.e. the sensitivity of the portfolio to interest rate changes). The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:

- Regular review by the designated fund manager on the Fund's investment portfolio to maintain its liquidity level.
- Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of unitholders. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet unitholders' withdrawal requests.
- Suspension of withdrawal requests due to exceptional circumstances. During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. The action to suspend withdrawal requests from Unit holders shall be exercised only as a last resort by the Manager.

Note: Please refer to Section 3.10 for more information.

In response to adverse conditions and as part of its risk management strategy, we may from time to time reduce its proportion of higher risk assets, such as equities and increase its asset allocation to lower risk assets, such as debt securities and liquid assets, to safeguard the investment portfolio of the Fund provided that such investments are within the investment objective of the Fund. Additionally, for investments in debt markets, we may reduce holdings in long tenured assets and channel these moneys into short-term interest bearing deposits. When deemed necessary, we may also utilize derivatives instruments, subject to the GUTF, for the purpose of hedging. In the event of a downgrade of a counter-party of an OTC derivative below the minimum long-term rating as per the GUTF, we reserve the right to deal with the OTC derivative in the best interest of the Unit holders.

If the Fund is an EPF-MIS approved fund, the investments made by the Fund will be subject to EPF's requirements. Please note there may be changes to the status of the Fund, you may refer to our website at www.principal.com.my or www.kwsp.gov.my for updated information.

FIXED INCOME FUNDS

1.1.11. PRINCIPAL LIFETIME BOND FUND

Fund Category/Type	: Bond / Income.
Investment Objective	: To provide regular income as well as to achieve medium to long-term capital appreciation through investments primarily in Malaysian bonds. <i>We will require your approval if there is any material change to the Fund's investment objective.</i>
Benchmark	: Quant shop MGS Bond Index (Medium Sub-Index). Note: The benchmark is for performance comparison only. You are cautioned that the risk profile of the Fund is higher than the benchmark. Information on the benchmark can be obtained from www.quantshop.com .
Distribution Policy	: Distribution (if any) is expected to be distributed once a year every January at our discretion.
Base Currency	: MYR

Investment Policy and Strategy

Between 70% to 98% (both inclusive) of the Fund's NAV may be invested in debt securities carrying at least a "BBB3" or "P2" rating by RAM or equivalent rating by MARC or by local rating agency(ies) of the country of issuance or "BBB-" by S&P or equivalent rating by any other international rating agencies. The Fund may invest up to 40% of its NAV in Unrated Debt Securities. The Fund may opt to seek investment exposure via CIS that is in line with the Fund's objective, subject to the requirement of the GUTF. The rest of the Fund is maintained in the form of liquid assets to meet any withdrawal payments to you. In line with its objective, the investment strategy and policy of the Fund is to invest in a diversified portfolio of approved fixed income securities consisting primarily of bonds, aimed to provide a steady stream of income. To achieve its objective, the Fund may also invest in structured products and/or derivatives such as forward contracts, options, futures contracts and swap agreements, that are related/linked to fixed income securities.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund's NAV in debt securities;
- up to 28% of the Fund's NAV in other permissible investments;
- up to 40% of the Fund's NAV in Unrated Debt Securities; and
- at least 2% of the Fund's NAV in liquid assets.

The asset allocation strategy will be reviewed periodically depending on the country's economic and bond market outlook. We will adopt an active trading strategy with frequency that will depend on the market conditions and the market outlook.

We formulate an interest rate outlook through examining factors such as the Malaysian inflation rate, monetary policies and economic growth. With an interest rate outlook and yield curve analysis, we identify the weighting of the investment tenure and credit for the Fund.

In the unlikely event of a credit rating downgrade, we reserve the right to deal with the security in your best interest. As an active fund manager, we have in place flexible tolerance limits to cater to such situations. For example, we can continue to hold the downgraded security if the immediate disposal of the security would not be in your best interest.

As part of its risk management strategy, the Fund is constructed and managed within pre-determined guidelines. Essentially, we monitor the bond portfolio according to three (3) parameters: tenure, credit ratings and sector. The duration of the bond portfolio is also monitored and modified according to our interest rate outlook (i.e. the sensitivity of the portfolio to interest rate changes). The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:

- Regular review by the designated fund manager on the Fund's investment portfolio to maintain its liquidity level.
- Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of unitholders. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet unitholders' withdrawal requests.
- Suspension of withdrawal requests due to exceptional circumstances. During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. The action to suspend withdrawal requests from Unit holders shall be exercised only as a last resort by the Manager.

Note: Please refer to Section 3.10 for more information.

In response to adverse conditions and as part of its risk management strategy, we may reduce holdings in long tenured assets and channel these moneys into short-term interest bearing deposits. We may also from time to time invest in liquid assets to safeguard the investment portfolio of the Fund provided that such investments are within the investment objective of the Fund. When deemed necessary, we may also utilize derivatives instruments, subject to the GUTF, for the purpose of hedging. In the event of a downgrade of a counter-party of an OTC derivative below the minimum long-term rating as per the GUTF, we reserve the right to deal with the OTC derivative in the best interest of the Unit holders.

If the Fund is an EPF-MIS approved fund, the investments made by the Fund will be subject to EPF's requirements. Please note there may be changes to the status of the Fund, you may refer to our website at **www.principal.com.my** or **www.kwsp.gov.my** for updated information.

1.1.12. PRINCIPAL LIFETIME ENHANCED BOND FUND

Fund Category/Type	: Bond / Income & Growth.
Investment Objective	: To provide growth to the value of Unit holders' investments over the medium-term in a medium to long-term bond portfolio as well as to provide a source of regular income. <i>We will require your approval if there is any material change to the Fund's investment objective.</i>
Benchmark	: Quant shop MGS Bond Index (Medium Sub-Index). Note: <i>The benchmark is for performance comparison only. You are cautioned that the risk profile of the Fund is higher than the benchmark.</i> <i>Information on the benchmark can be obtained from www.quantshop.com.</i>
Distribution Policy	: Distribution (if any) is expected to be distributed once a year every January at our discretion.
Base Currency	: MYR

Investment Policy and Strategy

The Fund may invest between 70% to 98% (both inclusive) of its NAV in debt securities. The Fund may invest up to 98% of its NAV in debt securities rated at least "BBB3" or "P3" by RAM or equivalent rating by MARC or by local rating agency(ies) of the country of issuance or "BB" by S&P or equivalent rating by any other international rating agencies. Nonetheless, the Fund may invest up to 40% of its NAV in Unrated Debt Securities; up to 28% of its NAV in other permissible investments; up to 10% of its NAV in equities, of which up to 10% of its NAV in warrants and options; and up to 10% of its NAV in ICULS and/or exchangeable bonds.

As a strategic bond fund, the Fund may also allocate part of its fixed income portfolio to be invested in ICULS and/or exchangeable bonds listed on Bursa Malaysia and other eligible exchanges, but subject to a maximum of 10% of its NAV. In line with its objective, the investment strategy and policy of the Fund is to invest in a diversified portfolio of approved fixed income securities aimed to provide a steady stream of income while utilizing warrants and options to provide added returns when appropriate. To achieve its objective, the Fund may also invest in structured products and/or derivatives such as forward contracts, options, futures contracts and swap agreements, that are related/linked to fixed income securities. The Fund may also opt to seek investment exposure via CIS that is in line with the Fund's objective, subject to the requirement of the GUTF.

The asset allocation strategy for this Fund is as follows:

- Between 70% to 98% (both inclusive) of the Fund's NAV may be invested in debt securities, out of which:
 - up to 98% of the Fund's NAV may be invested in Investment Grade debt instruments;
 - up to 40% of the Fund's NAV may be invested in Unrated Debt Securities;
- up to 28% of the Fund's NAV may be invested in other permissible investments such as structured products, derivatives and CIS;
- up to 10% of the Fund's NAV may be invested in warrants and options;
- up to 10% of the Fund's NAV may be invested in equities and
- up to 10% of the Fund's NAV may be invested in ICULS and/or exchangeable bonds.
- Minimum 2% of the Fund's NAV will be invested in liquid assets for liquidity purpose.

We will adopt an active trading strategy with frequency that will depend on the market conditions and the market outlook.

For the fixed income portion, we formulate an interest rate outlook through examining factors such as the Malaysian inflation rate, monetary policies and economic growth. With an interest rate outlook and yield curve analysis, we identify the weighting of the investment tenure and credit for the Fund.

In the unlikely event of a credit rating downgrade, we reserve the right to deal with the security in your best interest. As an active fund manager, we have in place flexible tolerance limits to cater to such situations. For example, we can continue to hold the downgraded security if the immediate disposal of the security would not be in your best interest.

The Fund may invest up to 30% of its NAV in Eligible Markets. Where necessary, we will obtain the licenses/permits for investments in countries that require licenses/permits. If we are unable to obtain the necessary licenses/permits, or the licenses/permits are revoked or not renewed (as the case may be), we will seek to invest in other accessible markets. Notwithstanding the aforesaid, we may decide not to invest in foreign securities.

As part of its risk management strategy, the Fund is constructed and managed within pre-determined guidelines. Essentially, we monitor the bond portfolio according to three (3) parameters: tenure, credit ratings and sector. The duration of the bond portfolio is also monitored and modified according to our interest rate outlook (i.e. the sensitivity of the portfolio to interest rate changes). The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:

- Regular review by the designated fund manager on the Fund's investment portfolio to maintain its liquidity level.
- Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of unitholders. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet unitholders' withdrawal requests.
- Suspension of withdrawal requests due to exceptional circumstances. During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. The action to suspend withdrawal requests from Unit holders shall be exercised only as a last resort by the Manager.

Note: Please refer to Section 3.10 for more information.

In response to adverse conditions and as part of its risk management strategy, we may reduce holdings in long tenured assets and channel these moneys into short-term interest bearing deposits. We may also from time to time invest in liquid assets to safeguard the investment portfolio of the Fund provided that such investments are within the investment objective of the Fund. When deemed necessary, we may also utilize derivatives instruments, subject to the GUTF, for purpose of hedging. In the event of a downgrade of a counter-party of an OTC derivative below the minimum long-term rating as per the GUTF, we reserve the right to deal with the OTC derivative in the best interest of the Unit holders.

If the Fund is an EPF-MIS approved fund, the investments made by the Fund will be subject to EPF's requirements. Please note there may be changes to the status of the Fund, you may refer to our website at **www.principal.com.my** or **www.kwsp.gov.my** for updated information.

REGIONAL & GLOBAL FUNDS

1.1.13. PRINCIPAL ASIA TITANS FUND

Fund Category/Type	: Equity / Growth.
Investment Objective	: To seek capital growth by investing primarily in equities and equity related instruments in the Asia ex Japan. <i>We will require your approval if there is any material change to the Fund's investment objective.</i>
Benchmark	: MSCI All Country Asia ex Japan Index. Note: The benchmark is for performance comparison only. You are cautioned that the risk profile of the Fund is higher than the benchmark. Information on the benchmark can be obtained from www.mscibarra.com/products/indices .
Distribution Policy	: We have the discretion to distribute part or all of the Class's distributable income. The distribution (if any) may vary from period to period depending on the investment objective and the performance of the Class.
Base Currency	: MYR

Investment Policy and Strategy

The Fund aims to achieve capital growth by investing primarily in equity securities of companies domiciled in, listed in, and/or have significant operations in Asia ex Japan. 'Significant operations' means major businesses of the company. For example, the Fund can invest in a company with significant business/operations in Thailand but listed on the New York Stock Exchange. The threshold for 'significant operations' would be if more than 25% of total group revenue derives from countries in Asia ex Japan. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). The Fund may also invest in instruments issued by companies incorporated in the Asia ex Japan but listed or traded on exchanges outside Asia ex Japan. With effect from 16 August 2021, the Fund may also invest up to 20% of its NAV in companies that are listed globally with some operations or businesses within the Asia ex Japan region to capture growth opportunities. Under normal market conditions, the Fund will invest primarily in common stocks. The Fund may seek investment opportunities in other types of transferable securities including fixed income securities as well as CIS that is in line with the objective of the Fund, subject to the requirement of the GUTF.

The Asia ex Japan includes but is not limited to the following markets: Hong Kong SAR, India, Indonesia, Korea, Malaysia, Pakistan, Singapore, Sri Lanka, the People's Republic of China, the Philippines, Taiwan, and Thailand. The investments of the Fund in the foreign markets are in accordance with the GUTF.

The asset allocation strategy for this Fund is as follows:

- between 70% to 99.5% (both inclusive) of the Fund's NAV in equity securities in Asia ex Japan;
- up to 28% of the Fund's NAV in other permissible investments; and
- at least 0.5% of the Fund's NAV in liquid assets.

We have appointed Principal Singapore the Sub-Manager of the Fund. The Sub-Manager will be responsible for investing and managing the Fund in accordance with the investment objective and within the investment restrictions. Nevertheless, we are equally responsible for the investments of the Fund. All costs of this appointment will be borne by us to ensure no additional fee is levied on you. For further details on the Sub-Manager, please refer to page 70.

The Sub-Manager will actively decide on the asset allocation within the Asia ex Japan, based on the outlook of the different geographical markets as well as domestic interest rate trends. The Sub-Manager's investment policy and strategy will be based on its global outlook on the economy and financial markets generally, as well as relative market valuation. When necessary, we or the Sub-Manager will obtain the licenses/permits for investments in countries that require licenses/permits. If we are unable to obtain the necessary licenses/permits, or the licenses/permits are revoked or not renewed (as the case may be), we will seek to invest in other accessible markets.

The Sub-Manager reserves the right to change the asset allocation and/or the investment strategy (including, but not limited to the investment in foreign CIS), provided that the changes are at all times in accordance with the objectives of the Fund and the asset allocation limit.

As part of its risk management strategy, the Sub-Manager may vary the Fund's asset allocation in line with its outlook within the asset allocation limit. In addition, the Fund is constructed and managed within pre-determined guidelines. The Sub-Manager employs an active asset allocation strategy depending upon the equity market expectations. Where appropriate, the Sub-Manager will also employ an active trading strategy with frequency that will depend on the market conditions and the market outlook.

In response to adverse conditions and as part of its risk management strategy, the Sub-Manager may from time to time reduce its proportion of higher risk assets, such as equities and increase its asset allocation to lower risk assets, such as debt securities and liquid assets, to safeguard the investment portfolio of the Fund. When deemed necessary, the Sub-Manager may also utilize derivatives instruments, subject to the GUTF, for purpose of hedging. In the event of a downgrade of a counter-party of an OTC derivative below the minimum long-term rating as per the GUTF, we reserve the right to deal with the OTC derivative in the best interest of the Unit holders. The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:

- Regular review by the designated fund manager on the Fund's investment portfolio to maintain its liquidity level.
- Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of unitholders. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet unitholders' withdrawal requests.
- Suspension of withdrawal requests due to exceptional circumstances. During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. The action to suspend withdrawal requests from Unit holders shall be exercised only as a last resort by the Manager.

Note: Please refer to Section 3.10 for more information.

If the Fund is an EPF-MIS approved fund, the investments made by the Fund will be subject to EPF's requirements. Please note there may be changes to the status of the Fund, you may refer to our website at www.principal.com.my or www.kwsp.gov.my for updated information.

1.1.14. PRINCIPAL CHINA-INDIA-INDONESIA OPPORTUNITIES FUND

Fund Category/Type	: Equity / Growth.
Investment Objective	: Aims to achieve medium to long-term capital appreciation by capitalizing on investment ideas in undervalued listed companies which are domiciled or have significant operations in China, India and Indonesia. <i>We will require your approval if there is any material change to the Fund's investment objective.</i>
Benchmark	: An equally weighted custom composite index of MSCI China Index, MSCI India Index and MSCI Indonesia Index. Note: <i>The benchmark is for performance comparison only. The benchmark is customised as such to align it closer to the structure of the portfolio. You are cautioned that the risk profile of the Fund is higher than the benchmark. Information on the benchmark can be obtained from www.principal.com.my.</i>
Distribution Policy	: Given its investment objective, the Class is not expected to pay any distribution.
Base Currency	: MYR

Investment Policy and Strategy

The Fund seeks to achieve its objective by investing primarily in equities and equity related securities of undervalued listed companies which are domiciled or have significant operations in China, India and Indonesia markets which offer attractive valuations and medium-term to long-term growth potential. The target companies are companies which are traded at attractive valuations and have the potential to ride on the future recovery and growth of China, India and Indonesia.

The 'significant operations' means the major business of the company. The Fund can invest in companies not only listed in China, India and Indonesia, but also those that have major businesses in China, India and Indonesia markets. For example, the Fund can invest in a company with business/operations in China but listed on Hong Kong Stock Exchange. The threshold for 'significant operations' would be if more than 30% of total group revenue derive from China, India or Indonesia. Whereas, the 'attractive valuations' means stocks or companies that have valuations based on price/earnings or price-to-book ratios that are lower than the respective sector or country valuations at that time. With effect from 16 August 2021, the Fund may also invest up to 20% of its NAV in companies that are listed globally with some operations or businesses within the China, India and Indonesia to capture growth opportunities. Where necessary, we will obtain the licenses/permits for investments in countries that require licenses/permits. If we are unable to obtain the necessary licenses/permits, or the licenses/permits are revoked or not renewed (as the case may be), we will seek to invest in other accessible markets.

The Fund will generally invest between 70% to 98% (both inclusive) of its NAV in equities and equity related securities with at least 2% of the Fund's NAV invested in liquid assets for liquidity purposes. The Fund may also invest up to 28% of its NAV in other permissible investments. The Fund's allocation to each of the aforesaid countries will vary depending on the Manager and its delegate's outlook for each country. The Fund may also opt to seek investment exposure via CIS that is in line with the Fund's objective, subject to the requirement of the GUTF.

The asset allocation strategy for this Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund's NAV will be invested in equities and equity related securities;
- up to 28% of the Fund's NAV will be invested in other permissible investments; and
- at least 2% of the Fund's NAV will be invested in liquid assets for liquidity purposes.

We have appointed Principal Singapore as the Sub-Manager of the Fund. The Sub-Manager will be responsible for investing and managing the Fund in accordance with the investment objective and within the investment restrictions. Nevertheless, we are equally responsible for the investments of the Fund. All costs of this appointment will be borne by us to ensure no additional fee is levied on you. For further details on the Sub-Manager, please refer to page 70.

The Sub-Manager will adopt an active investment strategy with frequency that will depend on the market conditions and the market outlook. The countries and securities invested in this Fund will undergo a rigorous research exercise before they are included in the respective portfolios. The Sub-Manager adopts the combination of both bottom-up and top-down processes and believes that long-term investment performance can be achieved by employing a rigorous research process. We and the Sub-Manager may from time to time, revise its outlook on the investment ideas of the Fund to capitalise on the economic environment of the market at that time.

Fundamental and valuation analysis (bottom-up) forms an integral part of the Sub-Manager's research effort. The process is focused on the early identification of fundamental change. Key elements of this include improving and sustaining business fundamentals, rising investor expectations and attractive relative valuation

As part of its risk management strategy, the Fund is constructed and managed within pre-determined guidelines including risk returns trade-off, which will be monitored and reviewed regularly by the investment management team. The risk management strategies and techniques employed include diversification of the Fund's asset allocation in terms of its exposure to various sectors, industries and companies. The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:

- Regular review by the designated fund manager on the Fund's investment portfolio to maintain its liquidity level.
- Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of unitholders. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet unitholders' withdrawal requests.
- Suspension of withdrawal requests due to exceptional circumstances. During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. The action to suspend withdrawal requests from Unit holders shall be exercised only as a last resort by the Manager.

Note: Please refer to Section 3.10 for more information.

In times of adversity in equity markets and as part of its risk management strategy, we and the Sub-Manager may from time-to-time reduce its proportion of equities and increase its asset allocation to liquid assets, to safeguard the investment portfolio of the Fund.

The Sub-Manager may take a temporary defensive position when it believes the markets or the economies are experiencing excessive volatility, a prolonged general decline or when other adverse conditions may exist. Under these circumstances, the Fund may be unable to pursue its investment goal.

In response to adverse conditions, the Sub-Manager may utilize derivatives instruments such as futures and forward contracts to hedge the portfolio. In the event of a downgrade of a counter-party of an OTC derivative below the minimum long-term rating as per the GUTF, we reserve the right to deal with the OTC derivative in the best interest of the Unit holders. The Sub-Manager may from time to time reduce its proportion of risky assets and increase its asset allocation to liquid assets, to safeguard the investment portfolio of the Fund.

If the Fund is an EPF-MIS approved fund, the investments made by the Fund will be subject to EPF's requirements. Please note there may be changes to the status of the Fund, you may refer to our website at www.principal.com.my or www.kwsp.gov.my for updated information.

1.1.15. PRINCIPAL GREATER BAY FUND

Fund Category/Type	: Equity / Growth.
Investment Objective	: The Fund seeks opportunities by investing predominantly in equities of companies who will benefit from the development in the Greater Bay Area to achieve capital appreciation over the medium to long term. <i>We will require your approval if there is any material change to the Fund's investment objective.</i>
Benchmark	: CSI SH-HK-SZ Greater Bay Area Development Thematic Index. Note: The Fund's benchmark is for performance comparison purpose only. You are cautioned that the risk profile of the Fund is different from the benchmark. Information on the benchmark can be obtained from www.csindex.com .
Distribution Policy	: <u>Class AUD-Hedged, Class MYR-Hedged, Class SGD-Hedged and Class USD</u> We 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 Class. We also have the right to make provisions for reserves in respect of distribution of the Class.
Base Currency	: RMB

Investment Policy and Strategy

The Fund will invest between 70% to 98% (both inclusive) of its NAV primarily in large and/or mid-cap equities (A-shares and/or H-shares) of companies that will benefit from the development in the Greater Bay Area, of which we believe will exhibit good growth potential when compared against its peers or the overall market. These companies may be domiciled in, listed in, derive revenue from, and/or have business or economic activities related to the Greater Bay Area. The Fund will focus mainly in the equities from sectors under the Benchmark Index, which includes but not limited to technology, financials and consumer sector. Up to 20% of the NAV of the Fund may be invested in equities outside of the Benchmark Index universe. The Fund may also opt to seek investment exposure via CIS that is in line with the Fund's objective, subject to the requirements of the GUTF. The Fund may invest the remaining of its NAV in liquid assets, i.e. Deposits and money market instruments for liquidity purpose.

CCB Principal Asset Management Co. Ltd ("CCBPAM") will advise and provide investment research and stock recommendation to us in accordance with the investment objective and within the investment restrictions of the Fund.

The asset allocation strategy for the Fund is as follows:

- between 70% to 98% (both inclusive) of the Fund's NAV will be invested in equities, of which up to 20% of the Fund's NAV may be invested in equities outside of the Benchmark Index; and
- up to 30% of the Fund's NAV may be invested in liquid assets.

We will adopt an active investment strategy with frequency that will depend on the market conditions and the market outlook. Risk management, with an emphasis on portfolio diversification, will form an integral part of the investment process. The Fund is constructed and managed within guidelines including risk returns trade-off, which will be monitored and reviewed regularly by the investment management team. The risk management strategies and techniques employed include diversification of the Fund's asset allocation in terms of its exposure to various sectors, industries and companies. In times of adversity in equity markets and as part of its risk management strategy, we may take temporary defensive positions that may detract from the Fund's prescribed asset allocation. We may from time to time reduce the proportion of equities and increase the asset allocation to liquid assets such as money market instruments and/or Deposits to safeguard the investment portfolio of the Fund. The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:

- Regular review by the designated fund manager on the Fund's investment portfolio to maintain its liquidity level.
- Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of unitholders. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet unitholders' withdrawal requests.
- Suspension of withdrawal requests due to exceptional circumstances. During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. The action to suspend withdrawal requests from Unit holders shall be exercised only as a last resort by the Manager.

Note: Please refer to Section 3.10 for more information.

When deemed necessary, we may also utilize derivatives instruments, subject to the GUTF, for purpose of hedging. In the event of a downgrade of a counter-party of an OTC derivative below the minimum long-term rating as per the GUTF, we reserve the right to deal with the OTC derivative in the best interest of the Unit holders.

If the Fund is eligible to be invested via the EPF-MIS, investments made by the Fund will be subject to the EPF's requirements. Please note that there may be changes to the status of the eligibility of the Fund under the EPF-MIS from time to time. Please refer to our website at www.principal.com.my or www.kwsp.gov.my for updated information.

1.1.16. PRINCIPAL ASIA DYNAMIC BOND FUND

Fund Category/Type	: Debt Securities / Income & Growth.
Investment Objective	: The Fund aims to achieve capital appreciation and income through investments in a portfolio of primarily debt instruments in the Asian region. <i>We will require your approval if there is any material change to the Fund's investment objective.</i>
Benchmark	: Secured Overnight Financing Rate (SOFR) + 2.50% per annum. Note: The Fund's benchmark is for performance comparison purpose only. You are cautioned that the risk profile of the Fund is higher than the benchmark. You may obtain more information on LIBOR from www.global-rates.com and SOFR from www.newyorkfed.org .
Distribution Policy	: <u>Class MYR</u> Distribution (if any) is expected to be distributed once a year at our discretion. Such distributions will depend on the availability of realised income and/or realised gains.
Base Currency	: USD

Investment Policy and Strategy

The Fund will be managed with the aim of achieving capital appreciation and income through investments in a portfolio of primarily debt instruments in the Asian region. The Fund will invest between 70% to 98% of its NAV in debt instruments. The Fund's investment in debt instruments will generally be restricted to securities rated at least a minimum credit rating of "BBB-" by S&P or its equivalent rating by other international rating agencies and/or at least "A3" by RAM or equivalent rating by MARC or by local rating agency(ies) of the country ("Investment Grade debt instruments"). Nonetheless, up to 40% of the Fund's NAV may be invested in non-investment grade and/or unrated debt instruments. In addition, the Fund may invest up to 28% of its NAV in money market instruments and/or Deposits to provide stability to the Fund.

The Fund may also invest up to 20% of its NAV in convertible bonds and/or structured products such as negotiable instruments of deposit and credit-linked notes ("CLN") for added return. Similar to debt instruments investments, CLNs are income focused investments that carry credit risk, which is based on both the issuer and its reference entity(ies). As such, we will invest in a CLN based on the ability of the referenced entity's ability to meet its financial obligation throughout the life of the CLN. We are also mindful that CLNs are less liquid compared to debt instruments investments. In the event of a credit downgrade on the issuer of structured product, we reserve the right to deal with the structured product in the best interest of the Unit holders, subject to prevailing GUTF. You should also note that convertible bonds have expiry date and hence, its' erosion of value may accelerate as it advances to its expiry date. The Fund may also opt to seek investment exposure via CIS that is in line with the Fund's objective, subject to the requirements of the GUTF. The Fund will also invest in liquid assets for liquidity purposes.

The asset allocation strategy for the Fund is as follows:

- Between 70% to 98% (both inclusive) of the Fund's NAV will be invested in debt instruments, out of which:
 - up to 98% of the Fund's NAV may be invested in Investment Grade debt instruments;
 - up to 40% of the Fund's NAV may be invested in unrated and/or non-investment grade debt instruments;
 - up to 20% of the Fund's NAV may be invested in convertible bonds and/or structured products;
- Up to 28% of the Fund's NAV may be invested in money market instruments and/or Deposits; and
- At least 2% of the Fund's NAV will be invested in liquid assets for liquidity purpose.

The Fund will focus its investment in the Asian region, i.e. issuers that are domiciled in, listed in, and/or have operations or businesses that focus in the Asian region. The Fund may invest up to 10% of its NAV outside of the Asian region. The Fund's investments will also be limited to Eligible Markets. Where necessary, we will obtain the license or permits for investments in countries that require license or permits. In the event that we are unable to obtain the necessary licenses or permits, or the licenses or permits are revoked or not renewed (as the case may be), we will seek to invest in other accessible markets.

For debt instruments investment, we formulate an interest rate outlook by considering factors such as the inflation rate, monetary policies and economic growth. We will adopt an active trading strategy with frequency that will depend on the market conditions and the market outlook. With an interest rate outlook and yield curve analysis, we identify the weighting of the investment tenure and credit for the Fund. In the unlikely event of a credit rating downgrade, we reserve the right to deal with the instrument in the best interest of the Unit holders. As an active fund manager, we have in place flexible tolerance limits to cater to such situations. We can for example, continue to hold the downgraded instrument if the immediate disposal of the instrument would not be in the best interest of the Unit holders.

As part of risk management strategy, the Fund is constructed and managed within pre-determined guidelines. Essentially, we employ an active asset allocation strategy depending upon the market expectations and at the same time monitors the debt instruments portfolio according to three (3) parameters: tenure, credit ratings and sector. The duration of the debt instruments portfolio is also monitored and modified according to our interest rate outlook (i.e. the sensitivity of the portfolio to interest rate changes). The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:

- Regular review by the designated fund manager on the Fund's investment portfolio to maintain its liquidity level.
- Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of unitholders. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet unitholders' withdrawal requests.
- Suspension of withdrawal requests due to exceptional circumstances. During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. The action to suspend withdrawal requests from Unit holders shall be exercised only as a last resort by the Manager.

Note: Please refer to Section 3.10 for more information.

In times of adverse conditions and as part of its risk management strategy, we may from time to time reduce holdings in long tenured assets and increase its asset allocation to money market instruments and/or Deposits to safeguard the investment portfolio of the Fund. When deemed necessary, we may also utilise derivative instruments such as forward contracts to hedge the portfolio. The use of derivatives is subject to the prevailing GUTF. In the event of a downgrade of a counter-party of an OTC derivative below the minimum long-term rating as per the GUTF, we reserve the right to deal with the OTC derivative in the best interest of the Unit holders.

If the Fund is eligible to be invested via the EPF-MIS, investments made by the Fund will be subject to the EPF's requirements. Please note that there may be changes to the status of the eligibility of the Fund under the EPF-MIS from time to time. Please refer to our website at www.principal.com.my or www.kwsp.gov.my for updated information.

1.1.17. PRINCIPAL CHINA DIRECT OPPORTUNITIES FUND

Fund Category/Type	: Equity / Growth
Investment Objective	: The Fund seeks opportunities through investments primarily in China A-Shares with the aim to provide capital appreciation. <i>We will require your approval if there is any material change to the Fund's investment objective.</i>
Benchmark	: CSI500 Index. Note: The Fund's benchmark is for performance comparison purpose only. You are cautioned that the risk profile of the Fund is different from the benchmark. Information on the benchmark can be obtained from www.csindex.com.cn/en .
Distribution Policy	: <u>Class MYR, Class SGD and Class USD</u> We 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. We also have the right to make provisions for reserves in respect of distribution of the Class.
Base Currency	: RMB

Investment Policy and Strategy

The Fund will invest at least 70% of its NAV (both inclusive) in equities that are listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange ("China A-Shares") directly via RQFII quota. Under general market conditions, the Fund will seek opportunities within the China A-Shares universe by focusing mainly in mid-capitalization and/or small-capitalization companies which we believe will exhibit good growth potential when compared against its peers or the overall market. The Fund may also opt to seek investment exposure via CIS that is in line with the Fund's objective, subject to the requirements of the GUTF. The Fund may invest the remaining of its NAV in liquid assets, i.e. Deposits and money market instruments for liquidity purpose.

CCB Principal Asset Management Co. Ltd. ("CCBPAM"), a company incorporated in China, will advise and provide investment research and stock recommendation to us in accordance with the investment objective and within the investment restrictions of the Fund. CCBPAM utilizes its in-house developed proprietary multi-factor model as a tool for the stock selection and portfolio construction. The multiple factors embedded within the model act as the criteria in the stock selection and portfolio construction by taking into account the elements that will affect the investment returns, ranging from fundamental, technical to sentimental aspect. The factors are actively revised, where they can be adjusted continuously in accordance with changes in the market.

We will adopt an active investment strategy with frequency that will depend on the market conditions and the market outlook. Risk management, with an emphasis on portfolio diversification, will form an integral part of the investment process. The Fund is constructed and managed within guidelines including risk returns trade-off, which will be monitored and reviewed regularly by the investment management team. The risk management strategies and techniques employed include diversification of the Fund's asset allocation in terms of its exposure to various sectors, industries and companies. In times of adversity in equity markets and as part of its risk management strategy, we may take temporary defensive positions that may detract from the Fund's prescribed asset allocation. We may from time to time reduce the proportion of equities and increase the asset allocation to liquid assets such as money market instruments and/or Deposits to safeguard the investment portfolio of the Fund. The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:

- Regular review by the designated fund manager on the Fund's investment portfolio to maintain its liquidity level.
- Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of unitholders. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet unitholders' withdrawal requests.
- Suspension of withdrawal requests due to exceptional circumstances. During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. The action to suspend withdrawal requests from Unit holders shall be exercised only as a last resort by the Manager.

Note: Please refer to Section 3.10 for more information.

When deemed necessary, we may also utilize derivatives instruments, subject to the GUTF, for purpose of hedging. In the event of a downgrade of a counter-party of an OTC derivative below the minimum long-term rating as per the GUTF, we reserve the right to deal with the OTC derivative in the best interest of the Unit holders.

Asset Allocation

- at least 70% of the Fund's NAV (both inclusive) will be invested in equities; and
- up to 30% of the Fund's NAV may be invested in liquid assets.

If the Fund is eligible to be invested via the EPF-MIS, investments made by the Fund will be subject to the EPF's requirements. Please note that there may be changes to the status of the eligibility of the Fund under the EPF-MIS from time to time. Please refer to our website at www.principal.com.my or www.kwsp.gov.my for updated information.

1.1.18. PRINCIPAL US HIGH CONVICTION EQUITY FUND

Fund Category/Type	: Equity / Growth
Investment Objective	: The Fund aims to achieve capital appreciation over the medium to long term through investments in United States of America equities. <i>We will require your approval if there is any material change to the Fund's objective.</i>
Benchmark	: MSCI U.S Small Cap Index Note: <i>The benchmark is for performance comparison purpose only. You are cautioned that the risk profile of the Fund is different from the benchmark. Information on the benchmark can be obtained from www.msci.com/indexes.</i>
Distribution Policy	: <u>Class MYR, Class MYR-Hedged, Class SGD and Class USD</u> Given the Fund's objective, the Class of the Fund is not expected to pay any distribution. Distributions, if any, are at our discretion and will vary from period to period depending on the performance of the Fund.
Base Currency	: USD

Investment Policy and Strategy

The Fund seeks to achieve its objective by investing in USA equities and other equity related securities by focusing its investment primarily in companies with market capitalization of not more than USD 30 billion and a part of the Fund's NAV in companies with market capitalization of more than USD 30 billion. The investment universe includes listed securities as well as initial public offerings. The Fund is expected to have a growth bias overall, including both growth and value-oriented companies over time. The Fund may also opt to seek investment exposure via CIS that is in line with the Fund's objective, subject to the requirements of the GUTF. The Fund will also invest in liquid assets such as money market instruments and/or Deposits for liquidity purpose.

The asset allocation for the Fund is as follows:

- Minimum 70% of the Fund's NAV will be invested into equities and other equity related securities; and
- The balance of the Fund's NAV will be invested in money market instruments and/ or Deposits.

Liquid assets may be strategically used if the Sub-Manager foresee the market downside risk is high in the short-term. The asset allocation strategy will be reviewed periodically depending on the country's economic and stock market outlook.

PGL, a company incorporated in the USA has been appointed as the Sub-Manager of the Fund. As the Sub-Manager, PGL will be responsible for the investment management function of the Fund in accordance with the Fund objective and within the investment parameters, restrictions and limits of the Fund. All costs of this appointment will be borne by us to ensure no additional fee is levied on the Unit holders.

The Sub-Manager implements a systematic equity strategy using an in-house model for its stock selection, to identify companies that exhibit attractive fundamental characteristics taking into account factors such as individual factor dispersion, market level aggregates (e.g. valuation, sentiment and earnings) and macroeconomic variables (e.g. credit spreads, interest rates and inflation). The Sub-Manager will adopt an active investment strategy with trading frequency that will depend on the market conditions and the market outlook.

We or the Sub-Manager may take temporary defensive positions that may detract from the Fund's prescribed asset allocation when we or the Sub-Manager believe that the equity markets that the Fund invests in are experiencing excessive volatility, expected prolonged declines, or when there are other adverse conditions, such as political instability. Under these circumstances, the Fund may reduce its proportion of equities and invest all or substantial portion of its asset in money market instruments and/or Deposits to safeguard the investment portfolio of the Fund. The Fund may also invest in derivative instruments for hedging purpose, subject to the prevailing GUTF. In the event of a downgrade of a counter-party of an OTC derivative below the minimum long-term rating as per the GUTF, we reserve the right to deal with the OTC derivative in the best interest of the Unit holders.

Further, risk management, with an emphasis on portfolio diversification, will form an integral part of the investment process. The Fund is constructed and managed within guidelines including risk returns trade-off, which will be monitored and reviewed regularly by the investment management team. The risk management strategies and techniques employed include diversification of the Fund's asset allocation in terms of its exposure to various sectors, industries and companies. The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:

- Regular review by the designated fund manager on the Fund's investment portfolio to maintain its liquidity level.
- Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of unitholders. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet unitholders' withdrawal requests.

- Suspension of withdrawal requests due to exceptional circumstances. During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. The action to suspend withdrawal requests from Unit holders shall be exercised only as a last resort by the Manager.

Note: Please refer to Section 3.10 for more information.

If the Fund is eligible to be invested via the EPF-MIS, investments made by the Fund will be subject to the EPF's requirements. Please note that there may be changes to the status of the eligibility of the Fund under the EPF-MIS from time to time. Please refer to our website at www.principal.com.my or www.kwsp.gov.my for updated information.

1.1.19. PRINCIPAL ASIA PACIFIC RENEWABLES FUND

Fund Category/Type	: Equity / Growth
Investment Objective	: The Fund aims to achieve capital appreciation over the medium to long term by investing primarily in the Asia Pacific ex Japan region. <i>We will require your approval if there is any material change to the Fund's objective.</i>
Benchmark	: MSCI AC Asia Pacific ex Japan Index <i>Note: The Fund's benchmark is for performance comparison purpose only. Information on the benchmark can be obtained from www.msci.com.</i>
Distribution Policy	: <u>Class AUD-Hedged, Class MYR-Hedged, Class SGD-Hedged and Class USD</u> Given the Fund's investment objective, the Class of the Fund is not expected to pay any distribution. Distributions, if any, are at our discretion and will vary from period to period depending on the availability of realised income for distribution and performance of the Fund.
Base Currency	: USD

Investment Policy and Strategy

The Fund will be actively managed with the aim of achieving stable and positive investment returns over the medium to long term. The Fund will invest primarily in companies which is domiciled in, listed in, and/or have significant operations in the Asia Pacific ex Japan region. 'Significant operations' means major businesses of the company. For example, the Fund can invest in a company with significant business/operations in Thailand but listed on the New York Stock Exchange. The threshold for 'significant operations' would be if more than 25% of total group revenue is derived from countries in the Asia Pacific ex Japan region. The calculation would be based on the most recent financial reports released by the companies (e.g. interim and annual reports). The term "medium to long term" refers to a period of three (3) years and more. The Fund may also invest up to 20% of its NAV in companies that are listed globally with some business/operations within the Asia Pacific ex Japan region to capture growth opportunities.

The Fund will invest at least 70% of its total assets in equity securities of renewable energy companies. This includes companies involved in: renewable energy technology, renewable energy developers, alternative fuels, energy efficiency, energy infrastructure, pollution control, waste management, products and services that raise productivity and/or performance while reducing the negative impact on the environment. The remaining 30% may be invested in the financial instruments of companies and issuers in any sector of the economy, except companies with more than 50% of assets in coal, crude oil production and thermal power generation. The Fund may also opt to access into the equities and/or debt securities market via the investment in units of other CIS that is in line with the Fund's objective.

The asset allocation strategy for the Fund is as follows:

- at least 70% of the Fund's NAV will be invested in equities and/or equity related securities
- up to 20% of the Fund's NAV may be invested in debt and/or convertible bond securities; and
- at least 2% of the Fund's NAV will be maintained in cash and/or cash equivalents which includes money market instrument for liquidity purposes

As the Fund is a qualified sustainable and responsible investment fund, the investments of the Fund will be subject to the ESG integration approach which involves the analysis of material factors in investment analysis and investment decisions, including ESG factors as defined by the United Nations sponsored Principles for Responsible Investment ("UNPRI") including the selection, retention, and realisation of the Fund's investments. Companies are assessed against material ESG risks such as climate change, natural resources, human capital, social opportunities and corporate governance. We do not seek to exclude companies which are relatively low in an ESG assessment rather we see this as an opportunity to engage these companies and advocate adoption of best practices for further improvement. However, companies that do not improve or demonstrate a commitment to improve after engagement exercises may be excluded from further investment or we may dispose of the investment within an appropriate timeframe.

We will review the fund periodically to ensure the investments of the Fund are in line with the sustainability criteria adopted and overall impact of the investment of the Fund are not inconsistent with any other sustainability criteria. If the Fund's investment become inconsistent with the investment strategy or sustainability considerations of the Fund, we will dispose the investment within an appropriate timeframe.

However, we or the Sub-Manager may take temporary defensive positions that may detract from the Fund's prescribed asset allocation when we or the Sub-Manager believes that the equity markets that the Fund invests in are experiencing excessive volatility, expects prolonged declines, or when there are other adverse conditions, such as political instability. Under these circumstances, the Fund may invest all or a substantial portion of its assets in money market instruments to achieve the Fund's objective in bearish or non-performing equity markets. The Sub-Manager may from time to time reduce its proportion of high risk assets, such as equities and increase its asset allocation to liquid assets such as money market instruments and/or Deposits to safeguard the Fund.

The Fund may also invest in derivative instruments such as futures contracts for hedging purpose. In the event of a downgrade of a counterparty of an OTC derivative below the minimum long-term rating as per the GUTF, we reserve the right to deal with the OTC derivative in the best interest of the Unit holders.

The Fund will invest in the Eligible Markets. Where necessary, we will obtain the licenses/permits for investments in countries that require such licenses/permits. If we are unable to obtain the necessary licenses/permits, or the licenses/permits are revoked or not renewed (as the case may be), we or the Sub-Manager will seek to invest in other accessible markets.

We have appointed Principal Singapore, a company incorporated in Singapore as the Sub-Manager of the Fund. Principal Singapore will be responsible for investing and managing the Fund in accordance with the Fund's objective and within the investment restrictions.

Principal Singapore will adopt an active investment strategy with portfolio structure based on the market outlook. Principal Singapore uses a bottom-up stock selection process in search for companies which can deliver attractive investment returns and qualify within the Fund's investment universe. To qualify as an attractive investment, a company would need to pass through our proprietary analysis via a fundamental, momentum and valuation framework to ensure we are investing into companies with good quality businesses, at the right point in time, and at reasonable valuations. To complement this strategy, Principal Singapore overlays a top-down country and sub-sector allocation based on a view of macro conditions, in order to determine the eventual portfolio as part of our risk management framework.

Further, risk management, with an emphasis on portfolio diversification, will form an integral part of the investment process. The Fund is constructed and managed within pre-determined guidelines including risk returns trade-off, which will be monitored and reviewed regularly by the investment management team. The risk management strategies and techniques employed include diversification of the Fund's asset allocation in terms of its exposure to various sectors, industries and companies. The Fund adopts a liquidity risk management framework which sets out the governance standards, methodology and process for the oversight and management of liquidity risk. The framework outlines the responsibilities to assess and monitor liquidity risk of the Fund, and to ensure appropriate measures are taken to mitigate the risk. The liquidity risk management framework that we have put in place is as follows:

- Regular review by the designated fund manager on the Fund's investment portfolio to maintain its liquidity level.
- Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stress market conditions) and on the concentration of unitholders. These assessments allow the Fund to be proactively managed to mitigate liquidity concerns that may arise in the ordinary course of portfolio management as well as in relation to the Fund's ability to meet unitholders' withdrawal requests.
- Suspension of withdrawal requests due to exceptional circumstances. During the suspension period, withdrawal requests will not be accepted and in the event we have earlier accepted the withdrawal requests prior to the suspension is declared, the withdrawal requests will be dealt on the next Business Day once the suspension is lifted. The action to suspend withdrawal requests from Unit holders shall be exercised only as a last resort by the Manager.

Note: Please refer to Section 3.10 for more information.

If the Fund is eligible to be invested via the EPF-MIS, investments made by the Fund will be subject to the EPF's requirements. Please note that there may be changes to the status of the eligibility of the Fund under the EPF-MIS from time to time. Please refer to our website at www.principal.com.my or www.kwsp.gov.my for updated information.

1.2. CLASSES OF THE FUNDS

1.2.1. Multi-class structure

Please note that the Funds (save and except for KLF) are established as a multi-class fund where the relevant Deeds allows for the establishment of more than one (1) Class with similar interests in the assets of the Funds. You should note that the Funds (save and except for KLF) are allowed to establish new Class(es) from time to time without your prior consent. Under the relevant Deeds, Unit holders of each Class shall have the same rights and obligations. Each Class may be different in terms of currency denomination, fees and charges, 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 Fund (save and except for KLF) may have multiple Classes, Unit holders should note that the assets of the Funds are pooled for investment purpose. KLF is not a multi-class fund and is denominated in Ringgit Malaysia.

You should note that we have the discretion to decide on the offering of other Class(es) for sale in the future. This information will be communicated to you via our website at www.principal.com.my. You should consult your professional advisers for a better understanding of the multi-class structure before investing in the Funds.

1.2.2. Launch date, Initial Offer Period & Initial Offer Price per Unit

Currently, the Classes below are available for sale.

Funds	Name of Class	Launch date
Equity Funds		
Principal Malaysia Titans Fund	Class MYR	1 August 1995
Principal Malaysia Enhanced Opportunities Fund	Class MYR	18 August 2004
Principal Malaysia Opportunities Fund	Class MYR	12 March 1998
Principal Titans Growth & Income Fund	Class MYR	15 May 1991
Principal Titans Income Plus Fund	Class MYR	1 October 2003
Principal Small Cap Opportunities Fund	Class MYR	20 April 2004
Principal KLCI-Linked Fund [#]	N/A	8 June 2000
Mixed Asset Funds		
Principal Lifetime Balanced Fund	Class MYR	12 March 1998
Principal Lifetime Balanced Income Fund	Class MYR	10 August 1995
Principal Dynamic Enhanced Malaysia Income Fund	Class MYR	12 March 1998
Fixed Income Funds		
Principal Lifetime Bond Fund	Class MYR	15 November 1995
Principal Lifetime Enhanced Bond Fund	Class MYR	23 March 2004
Regional & Global Funds		
Principal Asia Titans Fund	Class MYR	1 March 2006
Principal China-India-Indonesia Opportunities Fund	Class MYR	21 January 2010
Principal Greater Bay Fund	Class AUD-Hedged	31 October 2019
	Class MYR-Hedged	
	Class SGD-Hedged	
	Class USD	
Principal Asia Dynamic Bond Fund	Class MYR	15 March 2019
Principal China Direct Opportunities Fund	Class MYR	8 March 2018
	Class SGD	
	Class USD	
Principal US High Conviction Equity Fund	Class MYR	12 January 2022
	Class MYR-Hedged	
	Class SGD	
	Class USD	

Funds	Name of Class	Launch date
Principal Asia Pacific Renewables Fund	Class AUD-Hedged	18 May 2022
	Class MYR-Hedged	
	Class SGD-Hedged	
	Class USD	

Note # : KLF is not a multi class fund and is denominated in Ringgit Malaysia.

For more details, you may contact our Customer Care Centre under the “Corporate Directory” section or Distributors; or visit our website at www.principal.com.my.

1.3. PERMITTED INVESTMENTS

Subject to the Deeds, the investment policies for the Funds and the requirements of the SC and any other regulatory body, we have the absolute discretion as to how the assets of the Funds are to be invested. Under the Deeds and provided always that there are no inconsistencies with the objectives of the Funds, the Funds can invest in a wide range of securities, including but are not limited to those as set out below.

EQUITY FUNDS

- Equities and debt securities traded in or under the rules of an Eligible Market;
- Warrants that carry the right in respect of a security traded in or under the rules of an Eligible Market;
- Unlisted securities including securities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing or quotation and are offered directly to the fund by the issuer;
- Deposits and money market instruments;
- Derivative instruments, including but not limited to options, futures contracts, forward contracts and swaps;
- All types of CIS;
- Structured products; and
- Any other form of investments as may be permitted by the SC from time to time that is in line with the Fund’s objectives.

MIXED ASSET FUNDS

- Equities and debt securities traded in or under the rules of an Eligible Market;
- Warrants that carry the right in respect of a security traded in or under the rules of an Eligible Market;
- Unlisted securities including securities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing or quotation and are offered directly to the fund by the issuer;
- Deposits and money market instruments;
- Derivative instruments, including but not limited to options, futures contracts, forward contracts and swaps;
- All types of CIS;
- Structured products; and
- Any other form of investments as may be permitted by the SC from time to time that is in line with the Fund’s objectives.

FIXED INCOME FUNDS

- Equities and debt securities traded in or under the rules of an Eligible Market;
- Warrants that carry the right in respect of a security traded in or under the rules of an Eligible Market;
- Unlisted securities including securities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing or quotation and are offered directly to the fund by the issuer;
- Deposits and money market instruments;
- Derivative instruments, including but not limited to options, futures contracts, forward contracts and swaps;
- All types of CIS;
- Structured products; and
- Any other form of investments as may be permitted by the SC from time to time that is in line with the Fund’s objectives.

REGIONAL & GLOBAL FUNDS

- Equities and debt securities traded in or under the rules of an Eligible Market.
- Warrants that carry the right in respect of a security traded in or under the rules of an Eligible Market;
- Unlisted securities including securities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing or quotation and are offered directly to the fund by the issuer;
- Deposits and money market instruments;
- Derivative instruments, including but not limited to options, futures contracts, forward contracts and swaps;
- All types of CIS;
- Structured products ^{Note 1};
- Convertible bonds ^{Note 1};
- For securities listed or traded on foreign markets, the regulatory authority must be under an Eligible Market; ^{Note 2}
- Equity related securities traded in or under the rules of an Eligible Market; ^{Note 3} and
- Any other form of investments as may be permitted by the SC from time to time that is in line with the Fund’s objectives.

Note 1: Only applicable to Principal Asia Titans Fund, Principal China-India-Indonesia Opportunities Fund, Principal Asia Dynamic Bond Fund.

Note 2: Only applicable to Principal Greater Bay Fund, Principal US High Conviction Equity Fund, Principal Asia Pacific Renewables Fund, Principal China Direct Opportunities Fund and Principal Asia Dynamic Bond Fund.

Note 3: Only applicable to Principal Principal US High Conviction Equity Fund, Principal Asia Pacific Renewables Fund.

1.4. INVESTMENT RESTRICTIONS AND LIMITS

	Exposure limit	Investment spread limits	Investment concentration limits
Equity Funds	(1) the aggregate value of the Fund's investment in (a) transferable securities that are not traded or dealt in or under the rules of an Eligible Market;	(2) the value of the Fund's investment in ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV ^{Note 1} ;	(13) the Fund's investments in shares or securities equivalent to shares must not exceed 10% of the shares or securities equivalent to shares issued by any single issuer;
Mixed Asset Funds	(b) CIS that do not comply with paragraphs 6(a), (b) and (c); and	(3) the value of the Fund's investments in transferable securities and money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV ^{Note 2} , in determining the single issuer limit, the value of the Fund's investments in instruments in exposure limit issued by the same issuer must be included in the calculation;	(14) the Fund's investments in debt securities must not exceed 20% of the debt securities issued by any single issuer. This limit may be disregarded at the time of acquisition if at that time of acquisition the gross amount of debt securities in issue cannot be determined;
Fixed Income Funds	(c) other securities, must not exceed 15% of the Fund's NAV, subject to a maximum limit of 10% of the fund's NAV in a single issuer or single CIS, as the case may be.	(4) the value of the Fund's placement in deposits with any single financial institution must not exceed 20% of the Fund's NAV;	(15) the Fund's investments in money market instruments must not exceed 10% of the instruments issued by any single issuer. This limit does not apply to money market instruments that do not have a pre-determined issue size;
Regional & Global Funds		(5) the aggregate value of the Fund's investments in transferable securities, money market instruments, deposits, underlying assets of derivatives and counterparty exposure arising from the use of OTC derivatives must not exceed 25% of the Fund's NAV ("single issuer aggregate limit") ^{Note 2} . In determining the single issuer aggregate limit, the value of the fund's investments in instruments in exposure limit issued by the same issuer must be included in the calculation.	(16) the Fund's investments in CIS must not exceed 25% of the units/shares in the CIS.
		(6) the value of the Fund's investment in units/shares of a CIS must not exceed 20% of the Fund's NAV, provided that the CIS complies with the following categories: (a) A CIS authorised or recognised by the SC; or (b) A CIS that meets the following criteria: (i) The CIS is constituted and regulated in a jurisdiction where the laws and practices provide the level of investor protection that is at least equivalent to that offered in Malaysia; (ii) The rules on investments, borrowing and lending are substantially similar to the requirements in the GUTF. This would exclude hedge funds; (iii) The assets of the CIS are managed by an entity which is approved, authorised or licensed by a securities regulator to conduct fund management activities; and (iv) The business of the CIS is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period; or (c) A CIS that meets the following criteria: (i) The CIS invests in ▪ permitted investments, ▪ physically-backed metal ETF that comply with the following: (a) The assets of the physically-backed metal ETF, i.e. the physical metal, is held in trust and is segregated from the assets of the manager, sponsor, trustee or custodian; and	

	Exposure limit	Investment spread limits	Investment concentration limits
		(b) The physically-backed metal ETF adopts a passive management strategy with the objective of tracking the price of the metal. ▪ or real estate; (ii) The CIS meets the criteria imposed on transferable securities as following: (a) The maximum potential loss which the fund may incur as a result of the investment is limited to the amount paid for it; (b) The investment is liquid, and will not impair the fund's ability to satisfy its redemption and other payment commitments; (c) The investment is subject to reliable and verifiable valuation on a daily basis; and (d) There is appropriate information available to the market on the investment; (iii) The units or shares in the CIS are listed for quotation and traded on a stock exchange that is an Eligible Market; and (iv) The CIS is not an inverse or leveraged product; or (v) A CIS that does not comply with the above, but subject to the exposure limit stipulated in this section; (7) The value of a fund's investments in units or shares of a CIS that invests in real estate pursuant to (6)(c) must not exceed 15% of the fund's NAV. (8) the value of the Fund's investment in transferable securities and money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV ^{Note 2} (group limit"). In determining the group limit, the value of the fund's investments in instruments in the exposure limit issued by the issuers within the same group of companies must be included in the calculation. (9) For investments in derivatives (including for hedging purpose): ▪ The Fund's exposure from derivatives positions should not exceed the Fund's NAV; ▪ the exposure to the underlying assets must not exceed the investment spread limits stipulated in the GUTF; ▪ the maximum exposure of the Fund's OTC derivative transaction with the counter-party, <u>calculated based on the method</u> below must not exceed 10% of the Fund's NAV; and ▪ the counter-party of an OTC derivative is a financial institution with a minimum long-term credit rating of investment grade (including gradation and subcategories). ▪ Where the underlying instrument of a derivative is a commodity, such derivative must be settled in cash at all times. <u>Calculation of exposure to counterparty of OTC derivatives</u> (a) The exposure to a counterparty of an OTC derivative must be measured based on the maximum potential loss that may be	

	Exposure limit	Investment spread limits	Investment concentration limits
		incurred by the Fund if the counterparty defaults and not on the basis of the notional value of the OTC derivative. (b) The total exposure to a single counterparty is calculated by summing the exposure arising from all OTC derivative transactions entered into with the same counterparty <u>Exceptions to investment spread limits</u> Government and other public securities or money market instruments (10) The single issuer limit in (3) may be raised to 35% of the fund's NAV if the issuing entity is, or the issue is guaranteed by, either a foreign government, foreign government agency, foreign central bank or supranational, that has a minimum long-term credit rating of investment grade (including gradation and subcategories) by an international rating agency. (11) Where the single issuer limit is increased to 35% of the fund's NAV, the single issuer aggregate limit in (5) may be raised, subject to the group limit in (8) not exceeding 35% of the fund's NAV. Deposits (12) The single financial institution limit in (4) does not apply to placements of deposits arising from: a) Subscription monies received prior to the commencement of investment by the fund; b) Liquidation of investments prior to the termination or maturity of the fund, where the placement of deposits with various financial institutions would not be in the best interests of unit holders; or c) Monies held for the settlement of redemption or other payment obligations, where the placement of deposits with various financial institutions would not be in the best interest of unit holders.	

The global exposure of the Funds is calculated based on the following:

Commitment approach

The global exposure of the Funds to derivatives is calculated as the sum of the:

- absolute value of the exposure of each individual derivative not involved in netting or hedging arrangements;
- absolute value of the net exposure of each individual derivative after netting or hedging arrangement; and
- the values of cash collateral received pursuant to:
 - (i) the reduction of exposure to counterparties of OTC derivatives; and
 - (ii) efficient portfolio management techniques relating to securities lending and repurchase transactions (if applicable).

Netting arrangements

Netting arrangements may be taken into account to reduce the Fund's exposure to derivatives.

The Fund may net positions between:

- (a) derivatives on the same underlying constituents, even if the maturity dates are different; or
- (b) derivatives and the same corresponding underlying constituents, if those underlying constituents are transferable securities, money market instruments, or units or shares in collective investment schemes.

Hedging arrangements

Hedging arrangements may be taken into account to reduce the Fund's exposure to derivatives.

The marked-to-market value of transferable securities, money market instruments, or units or shares in collective investment schemes involved in hedging arrangements may be taken into account to reduce the exposure of the Fund to derivatives.

The hedging arrangement must:

- (a) not be aimed at generating a return;
- (b) result in an overall verifiable reduction of the risk of the Funds;
- (c) offset the general and specific risks linked to the underlying constituent being hedged;
- (d) relate to the same asset class being hedged; and
- (e) be able to meet its hedging objective in all market conditions.

Note: The above restrictions and limits do not apply to securities or instruments issued or guaranteed by the Malaysian government or BNM.

Note 1:

KLF is subject to the following investment restriction/limits:

The value of the Fund's investment in ordinary shares issued by any single issuer is allowed to invest according to the weightings of the component stocks in the FTSE Bursa Malaysia KLCI. In addition, up to 5% above the weightings is permitted for investments in securities related to the component stocks of the FTSE Bursa Malaysia KLCI. Please refer to "Approvals and Conditions" section on page 43 for further information.

Note 2:

Not applicable for **LI-BO** and **LI-EIB**. Instead, the following apply:

- (17) The value of the Fund's investments in transferable securities and money market instruments issued by any single issuer must not exceed 20% of the Fund's NAV ("single issuer limit"). In determining the single issuer limit, the value of the fund's investments in instruments in (1) by the same issuer must be included in the calculation.
- (18) The single issuer limit in (17) may be increased to 30% if the debt security is rated by any Malaysian or global rating agency to have the highest long-term credit rating.
- (19) Where the single issuer limit is increased to 30% pursuant to (18), the single issuer aggregate limit of 25% in (5) may be raised to 30% of the fund's NAV.
- (20) The value of the Fund's investments in transferable securities and money market instruments issued by any group of companies must not exceed 30% of the Fund's NAV. In determining the group limit, the value of the fund's investments in instruments in (1) issued by the issuers within the same group of companies must be included in the calculation.
- (21) Where the debt security or money market instruments are issued, or the issue is guaranteed by, either a foreign government, foreign government agency, foreign central bank or supranational, that has a minimum long-term credit rating of investment grade (including gradation and subcategories) by an international rating agency, the fund manager may apply the limits in paragraphs (10) and (11).

In respect of the above investment restrictions and limits, the GUTF provides that any breach of the restrictions and limits due to appreciation or depreciation in value of the Fund's investments, repurchase of units or payment made out of the Fund, or change in capital of a corporation in which the Fund has invested in, or downgrade in or cessation of a credit rating need not be reported to the SC but we must rectify as soon as practicable within three (3) months from the date of breach unless stated otherwise in the GUTF. However, the three-month period may be extended if it is in the best interest of Unit holders and Trustee's consent is obtained. Such extension must be subject to at least a monthly review by the trustee.

1.4.1. Minimum requirement for liquid assets

Liquid assets include cash, Deposits, money market instruments and debt securities with a remaining maturity of less than one (1) year.

	Requirement
Equity Funds	Hold a minimum of 2.00% of its NAV (or such other amount agreed by both us and the Trustee from time to time), whichever is lower, in liquid assets.
Mixed Asset Funds	
Fixed Income Funds	
Regional & Global Funds ^{Note 1}	

Note 1:

TI-AT and **KLF** will hold a minimum of 0.50% of its NAV (or such other amount agreed by us and the Trustee from time to time) in liquid assets.

1.5. APPROVALS AND CONDITIONS

We have obtained variations and/or exemptions to the GUTF for the following Funds:

a) Principal Dynamic Enhanced Malaysia Income Fund

We have obtained approval from the SC for a variation of Clause (5) of Schedule B of the GUTF, which allows the Fund to invest up to 30% of its NAV in single issuer securities with ratings of 'AAA' or 'P1'.

Based on the revised GUTF dated 28 November 2022, the variation should read as following:

We have obtained approval from the SC for a variation of Clause (5) of Schedule B of the GUTF, which allows the Fund to invest up to 30% of its NAV in single issuer securities with ratings of 'AAA' or 'P1'. In determining the single issuer limit, the value of the Fund's investments in instruments in the exposure limit under section 1.4 above issued by the same issuer must be included in the calculation.

b) Principal Small Cap Opportunities Fund

We have obtained approval from the SC for a variation of Clause 10.16(a) of the GUTF which allow us to pay Unit holder(s) within fifteen (15) days of the receipt of the withdrawal notice, when the Fund's total withdrawal amount is 15% or more of the total NAV of the Fund.

Based on the revised GUTF dated 28 November 2022, the variation should read as following:

We have obtained approval from the SC for a variation of Clause 8.18(a) of the GUTF which allow Principal Malaysia to pay Unit holder(s) within fifteen (15) days of the receipt of the withdrawal notice, when the Fund's total withdrawal amount is 15% or more of the total NAV of the Fund.

c) Principal KLCI-Linked Fund

We have obtained approval from the SC for a variation of Clause (5) of Schedule B of the GUTF (previously Clause 2.0(2) Schedule C – Appendix 1). In addition, up to 5.00% above the weightings is permitted for investments in securities related to the component stocks of the FTSE Bursa Malaysia KLCI.

Based on the revised GUTF dated 28 November 2022, the variation should read as following:

We have obtained approval from the SC for a variation of Clause (5) of Schedule B of the GUTF which allows the Fund to invest according to the weightings of the component stocks in the FTSE Bursa Malaysia KLCI. In addition, up to 5.00% above the weightings is permitted for investments in securities related to the component stocks of the FTSE Bursa Malaysia KLCI.

d) Principal Asia Titans Fund, Principal Titans Income Plus Fund, Principal Lifetime Balanced Income Fund, Principal Dynamic Enhanced Malaysia Income Fund, Principal Lifetime Bond Fund and Principal Lifetime Enhanced Bond Fund

We have obtained approval from the SC for an exemption to comply with Schedule C: Valuation of other unlisted bonds of the GUTF which allow us to obtain the price of non MYR-denominated unlisted bonds from ICE for valuation purpose subject to these conditions:

- (a) we are to keep abreast of the development of ICE's pricing methodology; and
- (b) we are to continuously keep track on the acceptability of ICE's prices in the market place.

Based on the revised GUTF dated 28 November 2022, the Schedule C of the GUTF has been removed and amended to provide for a principle-based approach to prescription of requirement. Hence, the variation is no longer applicable.

e) Principal Asia Pacific Renewables Fund

On 29 November 2021, we have obtained an approval from the SC for an exemption to comply with Schedule C: Valuation of other unlisted bonds of the GUTF which allow the Fund to value unlisted non MYR-denominated debt securities using pricing provided by external service providers including but not limited to ICE data Services, Refinitiv, IHS Markit, and Bloomberg ("External Service Providers") subject to the following conditions:

- (a) We are to keep abreast on the development of External Service Providers' pricing methodology; and
- (b) We are to continuously keep track on the acceptability of External Service Providers' prices in the marketplace

Based on the revised GUTF dated 28 November 2022, the Schedule C of the GUTF has been removed and amended to provide for a principle-based approach to prescription of requirement. Hence, the variation is no longer applicable.

f) Principal Asia Dynamic Bond Fund

We have obtained an approval from the SC for an exemption to comply with Schedule C: Valuation of other unlisted bonds of the GUTF which allow us to obtain the price of unlisted non RM-denominated bonds from ICE for valuation purpose on 1 August 2017, subject to the following conditions:

- (a) We are to keep abreast of the development of ICE's pricing methodology; and
- (b) We are to continuously keep track on the acceptability of ICE's prices in the market place.

Based on the revised GUTF dated 28 November 2022, the Schedule C of GUTF has been removed and amended to provide for a principle-based approach to prescription of requirement. Hence, the variation is no longer applicable.

1.6. FINANCING

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

1.7. SECURITIES LENDING

Where practicable, the Funds may participate in the lending of securities under the GUTF on Securities Borrowing and Lending issued when we find it appropriate to do so with a view of generating additional income for the Funds with an acceptable degree of risk.

The lending of securities is permitted under the Deeds and must comply with the above mentioned as well as with the relevant rules and/or directives issued by Bursa Malaysia, Bursa Malaysia Depository Sdn. Bhd., Bursa Malaysia Securities Clearing Sdn. Bhd. and any other relevant authority.

1.8. RISK FACTORS

1.8.1. GENERAL RISKS OF INVESTING IN A FUND

Any investment carries with it an element of risk. Therefore, prior to making an investment, you should consider the following risk factors in addition to the other information set out in this Master Prospectus.

Returns and capital not guaranteed

The investment of the fund is subject to market fluctuations and its inherent risk. There is **NO GUARANTEE** on the investment which includes your investment capital and returns, nor any assurance that the fund's objective will be achieved. You should also note that the fund is neither a capital guaranteed fund nor a capital protected fund. However, we reduce this risk by ensuring diligent management of the assets of the fund based on a structured investment process.

Market risk

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

Inflation risk

This is the risk that your investment in the fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce your purchasing power even though the value of the investment in monetary terms has increased.

Financing risk

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

Manager risk

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

Liquidity risk

Liquidity risk refers to the ease of liquidating an asset without causing market dislocation. This depends on the supply and demand as well as the asset's volume or amount traded in the market. If the fund holds assets that are illiquid, or are difficult to dispose of, the value of the fund and consequently the value of unitholders' investment in the fund may be negatively affected when the fund has to sell such assets at unfavourable prices.

1.8.2. SPECIFIC RISKS ASSOCIATED WITH THE INVESTMENT PORTFOLIO OF THE FUNDS

There are specific risks associated with the investment portfolio of each Fund which include but are not limited to the following:

1.8.2.1. Stock specific risk Prices of a particular stock may fluctuate in response to the circumstances affecting individual companies such as adverse financial performance, news of a possible merger or loss of key personnel of a company. Any adverse price movements of such stock will adversely affect the Fund's NAV.	▪ Principal Malaysia Titans Fund ▪ Principal Malaysia Enhanced Opportunities Fund ▪ Principal Malaysia Opportunities Fund ▪ Principal Titans Growth & Income Fund ▪ Principal Titans Income Plus Fund ▪ Principal Small Cap Opportunities Fund ▪ Principal Lifetime Balanced Fund ▪ Principal Lifetime Balanced Income Fund ▪ Principal Dynamic Enhanced Malaysia Income Fund ▪ Principal Asia Titans Fund ▪ Principal China-India-Indonesia Opportunities Fund ▪ Principal Greater Bay Fund ▪ Principal China Direct Opportunities Fund ▪ Principal US High Conviction Equity Fund ▪ Principal Asia Pacific Renewables Fund
1.8.2.2. Risks associated with investment in warrants and/or options There are inherent risks associated with investment in warrants and/or options. The value of warrants and/or options are influenced by the current market price of the underlying security, the exercise price of the contract, the time to expiration of the contract and the estimate of the future volatility of the underlying security's price over the life of the contract. Generally, the erosion in value of warrants and/or options accelerates as it approaches its expiry date. Like securities, we will undertake fundamental research and analysis on these instruments with an aim to mitigate its risks.	▪ Principal Malaysia Titans Fund ▪ Principal Malaysia Enhanced Opportunities Fund ▪ Principal Titans Income Plus Fund ▪ Principal KLCI-Linked Fund ▪ Principal Lifetime Bond Fund ▪ Principal Lifetime Enhanced Bond Fund ▪ Principal Asia Titans Fund ▪ Principal China-India-Indonesia Opportunities Fund ▪ Principal US High Conviction Equity Fund
1.8.2.3. Country risk Investments of the Fund in any country may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund invests in. For example, the deteriorating economic condition of such countries may adversely affect the value of the investments undertaken by the Fund in those affected countries. This in turn may cause the NAV of the Fund to fall. <u>Applicable to GBAY only</u> Where necessary, we will apply for licenses/permits to invest in these countries, and if the licenses/permits are revoked or not renewed (as the case may be) we will seek to invest in other accessible markets.	▪ Principal Titans Growth & Income Fund ▪ Principal Titans Income Plus Fund ▪ Principal Lifetime Balanced Income Fund ▪ Principal Dynamic Enhanced Malaysia Income Fund ▪ Principal Lifetime Enhanced Bond Fund ▪ Principal Asia Titans Fund ▪ Principal China-India-Indonesia Opportunities Fund ▪ Principal Greater Bay Fund ▪ Principal Asia Dynamic Bond Fund ▪ Principal China Direct Opportunities Fund ▪ Principal US High Conviction Equity Fund ▪ Principal Asia Pacific Renewables Fund
1.8.2.4. Currency risk • <u>Currency risk at the Fund's portfolio level</u> As the investments of the Fund may be denominated in currencies other than the base currency of the Fund, any fluctuation in the exchange rate between the base currency of the Fund and the currencies in which the investments are denominated may have an impact on the value of these investments. You should be aware that if the currencies in which the investments are denominated depreciate against the base currency of the Fund, this will have an adverse effect on the NAV of the Fund in the base currency of the Fund and vice versa. You should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment. • <u>Currency risk at the Class level</u> <u>Applicable to DY-ADB and OP-CDO only</u> You should also be aware that currency risk is applicable to Class(es) which is denominated in a different currency than the base currency of the Fund. The impact of the exchange rate movement between the base currency of the Fund and the currency denomination of the respective Class(es) may result in a depreciation of the value of your holdings as	▪ Principal Malaysia Titans Fund ▪ Principal Malaysia Enhanced Opportunities Fund ▪ Principal Malaysia Opportunities Fund ▪ Principal Titans Growth & Income Fund ▪ Principal Titans Income Plus Fund ▪ Principal Small Cap Opportunities Fund ▪ Principal Lifetime Balanced Fund ▪ Principal Lifetime Balanced Income Fund ▪ Principal Dynamic Enhanced Malaysia Income Fund ▪ Principal Lifetime Enhanced Bond Fund ▪ Principal Asia Titans Fund ▪ Principal China-India-Indonesia Opportunities Fund ▪ Principal Greater Bay Fund ▪ Principal China Direct Opportunities Fund ▪ Principal Asia Dynamic Bond Fund ▪ Principal US High Conviction Equity Fund ▪ Principal Asia Pacific Renewables Fund

expressed in the currency denomination of the respective Class(es). You should realise that currency risk is considered as one of the major risks due to the volatile nature of the foreign exchange market. When deemed necessary, we may utilize derivative instruments, subject to GUTF, to hedge currency risk. If the Fund utilizes derivative for hedging against the base currency of the Fund, you should note that as a result of hedging, the Fund will not be able to enjoy the full benefits of currency movement in the event of a favourable movement of currency. <u>Applicable to GBAY, UHCE and APRF only</u> You should also be aware that currency risk is applicable to Class(es) which is denominated in a different currency than the base currency of the Fund. The impact of the exchange rate movement between the base currency of the Fund and the currency denomination of the respective Class(es) may result in a depreciation of the value of your holdings as expressed in the currency denomination of the respective Class(es). As for a hedged Class, the Class itself provides mitigation to the currency risk arising from the difference between the currency denomination of the Class and the base currency of the Fund. While we aim to fully hedge the currency risk for a hedged Class, you should note that it may not entirely eliminate currency risk. In addition, you should note that, as a result of hedging, a hedged Class will not be able to enjoy the full benefits of the currency movement in the event of a favourable movement of the currency denomination of the hedged Class against the base currency of the Fund. You should also note that hedging incurs costs, in which will impact the NAV of a hedged Class.	
1.8.2.5. Risk of investing in emerging markets In comparison with investments in the developed markets, investments in emerging markets may involve a higher degree of risk due to the greater possibility of political or economic instability and societal tensions. Emerging markets are markets that are, by definition, “in a state of transition” and are therefore exposed to rapid political change and economic declines. The securities in the emerging markets may face a higher risk of price drop while the exchange rates in these emerging markets are generally more volatile than those of developed markets. As such, you should be aware that investments in emerging markets may be subjected to higher price volatility and therefore will tend to have a higher investment risk that will affect the Fund’s growth. We attempt to mitigate these risks through active asset allocation management and diversification across different countries and sectors, in addition to our continuous bottom-up and top-down research and analysis.	▪ Principal Titans Growth & Income Fund ▪ Principal Titans Income Plus Fund ▪ Principal Lifetime Balanced Income Fund ▪ Principal Dynamic Enhanced Malaysia Income Fund ▪ Principal Lifetime Enhanced Bond Fund ▪ Principal Asia Titans Fund ▪ Principal China-India-Indonesia Opportunities Fund ▪ Principal Asia Dynamic Bond Fund ▪ Principal Asia Pacific Renewables Fund
1.8.2.6. Credit and default risk The Fund will be exposed to a certain degree of credit and default risk of issuers or counterparties when the Fund invests in debt securities, money market instruments and/or places in Deposits. Credit risk relates to the creditworthiness of the securities issuers or counterparties and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer or counterparties may impact the value as well as liquidity of the investments. In the case of rated debt securities, this may lead to a credit downgrade. Default risk relates to the risk that a securities issuer or counterparties either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the investments. This could adversely affect the value of the Fund. We aim to mitigate this risk by performing bottom-up and top-down credit research and analysis to determine the creditworthiness of the issuers or counterparties, and impose investment limits on exposures to issuers or counterparties with different credit profiles as a	▪ Principal Titans Income Plus Fund ▪ Principal Lifetime Balanced Fund ▪ Principal Lifetime Balanced Income Fund ▪ Principal Dynamic Enhanced Malaysia Income Fund ▪ Principal Lifetime Bond Fund ▪ Principal Lifetime Enhanced Bond Fund ▪ Principal Greater Bay Fund ▪ Principal Asia Dynamic Bond Fund ▪ Principal China Direct Opportunities Fund

precautionary step to limit any loss that may arise directly or indirectly as a result of a defaulted exposure.	
1.8.2.7. Interest rate risk Interest rate risk refers to the impact of interest rate changes on the valuation of debt securities and money market instruments. When interest rates rise, debt securities and money market instruments prices generally decline and this may lower the market value of the Fund's investment in debt securities and money market instruments. In managing the debt securities, we take into account the coupon rate and time to maturity of the debt securities with an aim to mitigate the interest rate risk. As for money market instruments, the typical tenor of these instruments are less than 12-month maturity and unlike debt securities, any change to interest rate will only have a minor impact to the prices of these instruments.	▪ Principal Titans Income Plus Fund ▪ Principal Lifetime Balanced Fund ▪ Principal Lifetime Balanced Income Fund ▪ Principal Dynamic Enhanced Malaysia Income Fund ▪ Principal Lifetime Bond Fund ▪ Principal Lifetime Enhanced Bond Fund ▪ Principal Greater Bay Fund ▪ Principal Asia Dynamic Bond Fund
1.8.2.8. Lack of discretion by Manager to adapt to market changes As this is an index tracking fund, the Fund intends to replicate the performance of its benchmark index. We have limited discretion to alter the security allocation. Therefore, we may not dispose a poorly performed index constituents even if it may adversely affect the Fund's value and its NAV per unit.	▪ Principal KLCI-Linked Fund
1.8.2.9. Risk associated with investment in derivatives As the Fund may invest in derivatives, it may be subject to risks associated with such investments. Investments in derivatives may require the deposit of initial margin and additional deposit of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, the Fund's investments may be liquidated at a loss. As such, investments in derivatives may increase likelihood of high volatility of the NAV per unit of the Fund. Therefore, it is essential that such investments in derivatives be monitored closely. We have the necessary controls for investment in derivatives and have in place systems to monitor any derivative positions of the Fund.	▪ Principal KLCI-Linked Fund ▪ Principal Lifetime Bond Fund ▪ Principal Lifetime Enhanced Bond Fund
1.8.2.10. Company specific risk The investments of the Fund in companies may be affected by any company-specific changes such as the company's business situation, unforeseen entry of a new competitor into the market or the company's credit rating being downgraded. This may cause the price of any issuance by that company to fall and in turn may cause the net asset value of the Fund to fall.	▪ Principal Lifetime Bond Fund ▪ Principal Lifetime Enhanced Bond Fund
1.8.2.11. Risk associated with investment in structured products Investments in structured products are linked to the performance of specific underlying assets and are not equivalent to investment directly into those underlying assets. Generally, structured product has specified investment tenure. In the event the structured product unwinds before its maturity, it may be unwound at an unfavourable price and hence, the Fund may not be able to recoup the full principal amount. Investments in structured product are also subject to credit and default risk of the issuer of the structured product. Where the issuer of the structured product is unable to meet its financial obligations towards the Fund, the value of the Fund will be adversely affected. As such, investment in structured products may increase likelihood of high volatility of the NAV per unit of the Fund. We aim to mitigate this risk by having a stringent credit selection process for the issuer. If we are of the opinion that there is a material adverse change to an issuer, we may consider unwinding that particular structured product.	▪ Principal Lifetime Bond Fund ▪ Principal Lifetime Enhanced Bond Fund ▪ Principal Asia Dynamic Bond Fund

1.8.2.12. Risk associated with investing in CIS Since the Fund may invest into CIS, there is a risk of concentration into CIS, in which the CIS's management company has absolute discretion over the CIS's investment technique and knowledge, operational controls and management. In the event of mismanagement of the CIS and/or the management company, the NAV of the Fund, which invests into those CIS would be affected negatively. Should the situation arise, we will seek for another CIS that is consistent with the objective of this Fund.	▪ Principal Greater Bay Fund ▪ Principal US High Conviction Equity Fund ▪ Principal Asia Pacific Renewables Fund
1.8.2.13. Risk associated with investing in convertible bonds A convertible bond is essentially a bond with an embedded option which allows the bond to be converted into shares of the issuer based on the predetermined conversion ratio or price. Therefore, a convertible bond exhibits the behavior of both bond and equity. The value of a convertible bond is influenced by factors such as changes in interest rates, the credit standing and share price of the issuer. If the Fund has exposure to convertible bond, events such as rise in interest rates, deterioration in the creditworthiness of the issuer, or a decrease in the share price of the issuer could negatively impact the value of the convertible bond, and consequently the value of the Fund.	▪ Principal Asia Dynamic Bond Fund
1.8.2.14. Equity Related Securities Risk The Fund may also invest in equity related securities such as warrant, American Depositary Receipt and Global Depositary Receipt. An equity related security is linked to an underlying reference, Hence, its performance will be influenced by the performance of the underlying reference. Any adverse impact on the underlying reference will impact the equity related security, and consequently negatively impact the performance of the Fund.	▪ Principal US High Conviction Equity Fund
1.8.2.15. Sector Risk The Fund invests predominantly in the renewable energy sector. Given the nature of renewable energy sector, it requires an extensive research coverage as well as in-depth research to identify the growth opportunities of a company. In addition, the sector may be subject to greater government regulation than other sectors and, as a result, any significant changes to such government regulation may have an adverse impact on companies operating in the sector. On top of that, the investment in the sector may also be affected by the competition of new market entrants, patent considerations and product obsolescence. Investors should note that the Fund's performance may be impacted by all these sector-specific factors, and consequently impacting the performance of the Fund.	▪ Principal Asia Pacific Renewables Fund

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

2. FEES, CHARGES AND EXPENSES

2.1. CHARGES

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

2.1.1. Application Fee

When applying unit of the Funds, you may be charged an Application Fee based on the NAV per unit of the respective Class/Fund, which may differ between distribution channels. The table below shows the maximum Application Fee that may be charged. KLF is not a multi-class fund and is denominated in Ringgit Malaysia.

	Maximum Application Fee (% of the NAV per unit)	
	Principal Distributors	IUTAs
	%	%
Equity Funds		
Principal Malaysia Titans Fund	6.50	6.50
Principal Malaysia Enhanced Opportunities Fund	6.50	6.50
Principal Malaysia Opportunities Fund	5.00	5.00
Principal Titans Growth & Income Fund	6.50	6.50
Principal Titans Income Plus Fund	6.50	6.50
Principal Small Cap Opportunities Fund	6.00	6.00
Principal KLCI-Linked Fund	5.50	5.50
Mixed Asset Funds		
Principal Lifetime Balanced Fund	5.00	5.00
Principal Lifetime Balanced Income Fund	6.50	6.50
Principal Dynamic Enhanced Malaysia Income Fund	5.00	5.00
Fixed Income Funds		
Principal Lifetime Bond Fund	2.00	2.00
Principal Lifetime Enhanced Bond Fund	2.00	2.00
Regional & Global Funds		
Principal Asia Titans Fund	6.50	6.50
Principal China-India-Indonesia Opportunities Fund	6.50	5.50
Principal Greater Bay Fund	5.00	5.00
Principal Asia Dynamic Bond Fund	2.00	2.00
Principal China Direct Opportunities Fund	5.50	5.50
Principal US High Conviction Equity Fund	5.00	5.00
Principal Asia Pacific Renewables Fund	5.00	5.00

Despite the maximum Application Fees disclosed above, you may negotiate with us or our Distributors for lower charges.

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

If the Fund is an EPF-MIS approved fund and you have invested via EPF-MIS, the investor may be charged an Application Fee of up to 3.00% of the NAV per unit, or such other rate as the EPF may determine.

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

	Class ABC (Denominated in MYR)	Class XYZ (Denominated in USD)
Investment amount	MYR 10,000	USD 10,000
NAV per unit	MYR 1.0000	USD 1.0000
Application Fee (NAV per unit)	5.00%	5.00%
Units issued to Unit holder = <u>Investment amount</u>	= <u>MYR 10,000.00</u>	= <u>USD 10,000.00</u>

NAV per unit	MYR 1.0000 = 10,000 units	USD 1.0000 = 10,000 units
Total Application Fee = Units issued to Unit holder x NAV per unit x Application Fee (%)	= 10,000 units x MYR 1.0000 x 5% = MYR 500.00	= 10,000 units x USD 1.0000 x 5% = USD 500.00

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

2.1.2. Withdrawal Fee

Nil

2.1.3. Switching Fee

Switching is treated as a withdrawal from a Class/Fund and an investment into another Class or Principal Malaysia's fund (or its classes). As such, you may be charged a Switching Fee equal to the difference (if any) between the Application Fees of the Class/Fund and the Application Fee of the other Class or Principal Malaysia's fund (or its classes). You will not be charged a Switching Fee, if the Class or Principal Malaysia's fund (or its classes) to be switched into has a lower Application Fee than the Application Fee of the Class. In addition to the Switching Fee, you may be charged MYR100/ SGD35/ USD 35/ AUD35 as the administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fee. We also have the discretion to waive the Switching Fee and/or administrative fee.

2.1.4. Transfer Fee

You may be charged Transfer Fee of not more than MYR50/ SGD15 / USD15/ AUD15 for each transfer.

2.2. 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 a better understanding. As KLF is a singles class fund, all fees, charges and expenses will be calculated at the fund level.

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

2.2.1. Management Fee

Please note that the Management Fee is charged to the respective Fund/Class at the Class level, based on the NAV of the Fund/Class, as the case may be. Table below stipulates the annual Management Fee for the respective Class based on the NAV of the Class. The Management Fee shall be accrued daily based on the NAV of the Fund and paid monthly. KLF is not a multi-class Fund and is denominated in Ringgit Malaysia.

Funds	Maximum Management Fee (% p.a. of the NAV of the Class)
Equity Funds	
Principal Malaysia Titans Fund	1.50
Principal Malaysia Enhanced Opportunities Fund	1.50
Principal Malaysia Opportunities Fund	1.85
Principal Titans Growth & Income Fund	1.50
Principal Titans Income Plus Fund	1.85
Principal Small Cap Opportunities Fund	1.50
Principal KLCI-Linked Fund [#]	0.95
Mixed Asset Funds	
Principal Lifetime Balanced Fund	1.85
Principal Lifetime Balanced Income Fund	1.50
Principal Dynamic Enhanced Malaysia Income Fund	1.85
Fixed Income Funds	
Principal Lifetime Bond Fund	1.00
Principal Lifetime Enhanced Bond Fund	1.00
Regional & Global Funds	
Principal Asia Titans Fund	1.85

Funds	Maximum Management Fee (% p.a. of the NAV of the Class)
Principal China-India-Indonesia Opportunities Fund	1.80
Principal Greater Bay Fund	1.80
Principal Asia Dynamic Bond Fund	1.00
Principal China Direct Opportunities Fund	1.80
Principal US High Conviction Equity Fund	1.80
Principal Asia Pacific Renewables Fund	1.80

Below is an illustration on how the Management Fee is calculated:

Management Fee for the day = NAV of the Fund x annual Management Fee rate for the Fund (%) / 365 days

If the NAV of the Fund is MYR500 million, then

Management Fee for the day = MYR500 million x 1.00% per annum / 365 days
= MYR13,698.63

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

For KLF, management fee will be charged at the Fund level.

2.2.2. Trustee Fee

The table below stipulates the annual Trustee Fee and custodian fee for the respective Funds, based on the NAV of the Fund. The Trustee Fee and custodian fee shall be accrued daily based on the NAV of the Fund and paid monthly.

Funds	Trustee	Maximum Trustee Fee (% p.a. of the NAV of the Fund)
Equity Funds		
Principal Malaysia Titans Fund	UTMB	Note 1
Principal Malaysia Enhanced Opportunities Fund	ART	0.06
Principal Malaysia Opportunities Fund	MTB	0.08
Principal Titans Growth & Income Fund	ART	0.07
Principal Titans Income Plus Fund	UTMB	0.06
Principal Small Cap Opportunities Fund	MTB	0.07
Principal KLCI-Linked Fund	HSBCT	0.07
Mixed Asset Funds		
Principal Lifetime Balanced Fund	MTB	0.08
Principal Lifetime Balanced Income Fund	UTMB	Note 1
Principal Dynamic Enhanced Malaysia Income Fund	MTB	0.08
Fixed Income Funds		
Principal Lifetime Bond Fund	PBTBSB	0.05
Principal Lifetime Enhanced Bond Fund	MTB	0.05
Regional & Global Funds		
Principal Asia Titans Fund	UTMB	0.035
Principal China-India-Indonesia Opportunities Fund	UTMB	0.08
Principal Greater Bay Fund	HSBCT	0.06
Principal Asia Dynamic Bond Fund	HSBCT	0.05
Principal China Direct Opportunities Fund	HSBCT	0.06
Principal US High Conviction Equity Fund	HSBCT	0.06
Principal Asia Pacific Renewables Fund	HSBCT	0.045

Note: The Trustee Fee includes local custodian fee but excludes foreign sub-custodian fee (if any). Foreign sub-custodian fee is dependant on the country invested and is charged monthly in arrears.

Note 1 – The rates used for the computation of the annual Trustee Fee are as follows:

Size of the Fund	% p.a. of NAV of the Fund
First MYR20 million	0.06
Next MYR20 million	0.05
Next MYR20 million	0.04
Next MYR20 million	0.03
Next MYR20 million	0.02
Any amount in excess of MYR100 million	0.01

Below is an illustration on how the Trustee Fee is calculated:

Trustee Fee for the day = NAV of the Fund x annual Trustee Fee rate for the Fund (%) / 365 days

If the NAV of Fund is MYR500 million, then

Trustee Fee for the day = MYR500 million x 0.05% per annum / 365 days
= MYR684.93

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

2.2.3. Other expenses

The Deeds also provide for payment of other expenses. The major expenses recoverable directly from the Funds include:

- expenses incurred in the sale, purchase, insurance, custody and any other dealings of investments including commissions/fees paid to brokers and costs involved with external specialists approved by the Trustees in investigating and evaluating any proposed investment;
- (where the foreign custodial function is delegated by the Trustees), charges/fees paid to the sub-custodian;
- expenses incurred in the printing of, the purchasing of stationery and postage for the annual and interim reports;
- remuneration and out of pocket expenses of the person(s) undertaking the oversight functions of the Fund and/or advisers (if any) of the Funds, unless we decide to bear the same;
- tax and other duties imposed by the government and other authorities and bank fees;
- tax agent's and auditor's fees and expenses in relation to the Funds;
- fees incurred for the fund valuation and accounting of the Fund performed by a fund valuation agent;
- costs incurred in modifying the Deeds for your benefit;
- cost of convening and holding meetings of Unit holders (other than our benefit or the Trustees'); and
- all costs, bank charges and expenses related to income distribution of the Funds; for example, postage and printing of all cheques, statements and notices to you.

Expenses not authorised by the Deeds must be paid by us or the respective Trustees out of our own funds if incurred for our own benefit.

2.2.4. We and the Trustees are required to ensure that any fees or charges payable are reasonable and in accordance with the Deeds which stipulate the maximum rate (in percentage terms) that can be charged. All expenses of the Fund will generally be apportioned to each Class currently available for sale based on the MCR except for the 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. Should the Fund invest into units of other CIS that are managed by us or our related corporation, we will ensure that all initial charges are waived and there is no double charging of management fees. You should consult your professional advisers for a better understanding. As KLF is a singles class fund, all fees, charges, expenses, liabilities and/or income will be calculated at the fund level.

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

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

2.3. REBATES AND SOFT COMMISSIONS

We, the Sub-Manager and the Trustees will not retain any form of rebate or otherwise share in any commission with, any broker or dealer in consideration for directing dealings in the investments of the Funds. Accordingly, any rebates or shared commission will be directed to the account of the Fund.

We may retain goods and services (soft commission) provided by any broker or dealer if the following conditions are met:

- the soft commission bring direct benefit or advantage to the management of the Fund and may include research and advisory related services;
- any dealings with the broker or dealer is executed on terms which are the most favourable for the Funds; and
- the availability of soft commissions is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and we or the Sub-Manager will not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft commissions.

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

All fees and charges payable by you and/or the Funds 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 Funds and/or you as disclosed or illustrated in this Master Prospectus.

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

3. TRANSACTION INFORMATION

3.1. VALUATION OF INVESTMENTS PERMITTED BY THE FUNDS

We will carry out the valuation of the Funds in a fair manner in accordance with the applicable laws and guidelines. The valuation bases for the investments permitted by the Funds are as below:

- **Listed securities**

The value of any permitted investments, which are quoted on an approved exchange, shall be calculated daily 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 in good faith by 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 securities 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 securities has been suspended for a period exceeding fourteen (14) days or such shorter period as determined by the trustee, 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.

- **Unlisted securities**

The valuation of equities not listed or quoted on a stock exchange but have been approved by the relevant regulatory authority for such listing or quotation and are offered directly to the Fund by the issuer shall be valued at the issue price of such equities. The value will be determined by the financial institution that issued the instrument.

The value of any unlisted MYR-denominated debt securities shall be calculated on a daily basis using prices quoted by a bond pricing agency ("BPA") registered with the SC. Where such prices are not available or where we are of the view that the price quoted by the BPA for a specific debt security differs from the market price by more than twenty (20) basis points, we may use the market price by reference to the last available quote provided such quote was obtained within the previous thirty (30) days and we record its basis for using a non-BPA price, obtained necessary internal approvals to use the non-BPA price and keeps an audit trail of all decisions and basis for adopting the market yield.

The value of any unlisted non MYR-denominated debt securities shall be valued daily by reference to the average indicative yield quoted by three (3) independent and reputable financial institutions.

For **TI-AT, TI-TIP, LI-BI, DY-DEMI, LI-BO and LI-EIB**, the value of any unlisted non MYR-denominated debt securities shall be calculated daily using prices quoted by ICE using its proprietary methodology. The bond prices by ICE are calculated using prices contributed by financial institutions and other market inputs listed in approximate order of priority, include: benchmark yields, reported trades, broker/dealer quotes, issuer spreads and reference data (e.g. corporate action announcements and ratings). Where the prices from ICE are not available on any business day, these bonds will be valued by reference to the average indicative yield quoted by three (3) independent and reputable financial institutions.

- **CIS**

The value of any investment in CIS which are quoted on an approved exchange shall be calculated daily in the same manner as other listed securities described above. When investing in unlisted CIS, the value shall be determined by reference to the last published repurchase/withdrawal price for that CIS.

- **Money market instruments**

Valuation of money market instruments such as negotiable instrument of deposits and commercial papers shall be valued by reference to the quotes provided by independent and reputable pricing source(s), which is deemed fair value, includes but not limited to Bond Pricing Agency ("BPA") registered by the Securities Commission. Where the quotes are provided by financial institutions, the valuation of the money market instruments will be based on the average of bid and offer prices quoted by three (3) independent and reputable financial institutions of similar standing at the close of trading. The valuation method is verified by the auditor and approved by the Trustee.

- **Unlisted derivative instruments**

For unlisted derivative instruments, we shall ensure that the valuation of the investment is valued daily at fair value as determination in good faith by us, on methods and bases which have been verified by the auditor of the Fund and approved by the Trustee.

- **Deposits**

The value of Deposits shall be determined each day by reference to the principal value of such permitted investments and the accrued income thereon for the relevant period.

If the value of the Fund's asset is denominated in a base currency, the assets are translated on a daily basis to base currency. Currently, the assets are translated using the bid foreign exchange rate quoted by either Refinitiv or Bloomberg, at UK time 4:00 p.m. on the same day (Malaysian time 11:00 p.m. or 12:00 a.m.), or such other time as stipulated in the IMS.

3.2. 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 NAV per unit at the next valuation point after we receive the completed relevant transaction forms from you.

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

The valuation point of the Funds for a Business Day will depend on whether the portfolio consists of foreign investments.

For Funds without foreign investments:

We will carry out the valuation for the Classes for a Business Day at the end of that Business Day (T day). The NAV per unit for a Business Day is available on our website at www.principal.com.my after 10:00 a.m. on the following Business Day (T+1).

For KLF:

We will carry out the valuation for the Fund for a Business Day at the end of that Business Day (T day). The NAV per unit for a Business Day is available on our website at www.principal.com.my after 10:00 a.m. on the following Business Day (T+1).

For Funds with foreign investments:

We will carry out the valuation for the Classes for a Business Day on the next Business Day (T+1) by 4:00 p.m. This is to cater for the currency translation of the foreign securities or instruments to the Fund's base currency based on the bid exchange rate quoted by Bloomberg or Refinitiv at UK time 4:00 p.m. on the same day (Malaysian time 11:00 p.m. or 12:00 a.m.), or such other time as stipulated in the IMS. The NAV per unit for a Business Day is available on our website at www.principal.com.my after 5:30 p.m. on the following Business Day (T+1).

Illustration (for Funds with foreign investments):

For a transaction request received by us by 4:00 p.m. on a Business Day

At the end of the Business Day on 20 September 2022, your units will be based on the NAV per unit on 20 September 2022, which will be calculated on 21 September 2022. The NAV per unit will be available on our website after 5:30 p.m. on 21 September 2022.

For a transaction request received by us after 4:00 p.m. on a Business Day

At the end of the Business Day on 20 September 2022, your units will be based on the NAV per unit on 21 September 2022, which will be calculated on 22 September 2022. The NAV per unit will be available on our website after 5:30 p.m. on 22 September 2022.

Each Fund must be valued at least once for every Business Day except during the initial offer period. The method of determining NAV per unit is calculated as follows:

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

For KLF:

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

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 Deeds) including income derived by the Fund which has not been distributed to our Unit holders, less all amounts owing or payable in respect of the Fund including any provisions that we and the Trustees consider should be made. 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. The NAV per unit of each Class/Fund* will be the NAV of the Fund attributable for each Class/Fund* divided by the number of units in circulation of that Class/Fund*, at the same valuation point.

*Note * : For KLF*

3.2.1. Multi-class Ratio (MCR)

MCR is the apportionment of the NAV of each Class over the Fund's NAV based on the size of each Class. The MCR is calculated by dividing the NAV of the respective Class by the NAV of the Fund before income and expenses for the day. The apportionment is expressed as a ratio and calculated as a percentage. For KLF, the MCR will not be applicable and there will not be any apportionment of the income, expenses, fees and charges and the allocation will be in accordance with the Fund column below.

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

	Fund (MYR)	Class ABC (Denominated in MYR) (MYR)	Class XYZ (Denominated in USD) (MYR)
NAV of the Fund before income and expenses	185,942,897.00	173,335,968.58	12,606,928.42
% MCR	100.00%	93.22%	6.78%
Add: Income	30,000.00	27,966.00	2,034.00
Less: Expenses	(10,000.00)	(9,322.00)	(678.00)
NAV of the Fund before Management and Trustee Fee	185,962,897.00	173,354,612.58	12,608,284.42
Less: Management Fee	(2,292.69)	0.45% (2,137.25)	0.45% (155.44)
Less: Trustee Fee	(152.84)	0.03% (142.48)	0.03% (10.36)
NAV of the Fund	185,960,451.47	173,352,332.85	12,608,118.62
Units in circulation	182,364,307.0022	170,000,000.3467	12,364,306.6555
NAV per unit		1.0197	1.0197

	Fund (MYR)	Class ABC (Denominated in MYR) (MYR)	Class XYZ (Denominated in USD) (MYR)
NAV of the Fund before creation of units for the day (MYR)	185,960,451.47	173,352,332.85	12,608,118.62
⁽³⁾ Net subscription amount (MYR)	2,000,000.00	1,000,000.00	1,000,000.00
Closing NAV (MYR)	187,960,451.47	174,352,332.85	13,608,118.62
Units in circulation	184,325,668.1868	170,980,680.9390	13,344,987.2478
NAV per unit (MYR)		1.0197	1.0197

Note :

(1) MCR computation

	Class ABC (Denominated in MYR) (MYR)	Class XYZ (Denominated in USD) (MYR)
<u>NAV of the Class x 100</u>	<u>173,335,969.58 x 100</u>	<u>12,606,928.42 x 100</u>
NAV of the Fund before income and expenses	185,942,897.00	185,942,897.00
	=	=
	93.22%	6.78%

⁽²⁾Apportionment based on MCR is as follows:

	Class ABC (Denominated in MYR) (MYR)	Class XYZ (Denominated in USD) (MYR)
Add: Income	30,000	MCR x Income
	= Income for Class ABC	= Income for Class XYZ
	= 93.22% x MYR	= 6.78% x MYR
	30,000.00	30,000.00
	= MYR 27,966.00	= MYR 2,034.00

Less: Expenses	(10,000)	MCR x Expenses = Expenses for Class ABC = 93.22% x MYR 10,000.00 = MYR 9,322.00	MCR x Expenses = Expenses for Class XYZ = 6.78% x MYR 10,000.00 = MYR 678.00
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⁽³⁾Net subscription amount

	Class ABC (Denominated in MYR) (MYR)	Class XYZ (Denominated in USD) (MYR)
Net subscription amount (MYR)*	1,000,000	1,000,000
NAV per unit (MYR)	1.0197	1.0197
Number of units	980,680.5923	980,680.5923

* Subscription amount net of any withdrawal amount.

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

3.2.2. Calculation of investment amount and units entitlement

The calculation below is for illustration only and does not represent the actual percentage or amount that you may incur in each Class. The following calculation and illustration will apply similarly to KLF as it is not a multi-class fund.

Illustrations:

Calculation of number of units received, Application Fee and total amount payable by you

Assumptions:

NAV per unit of Class XYZ denominated in MYR = MYR0.5000 (truncated to 4 decimal places)

Application Fee = 5.50%

You wish to invest RM10,000 in the Fund.

Calculation of total number of units that you will receive*

= Investment amount / NAV per unit

= MYR10,000 / MYR0.5000

= 20,000 units

Calculation of Application Fee[#] that you will incur (payable in addition to the investment amount)

= NAV per unit of Class XYZ x number of units received x Application Fee rate

= MYR0.5000 x 20,000 units x 5.50%

= MYR550.00

Calculation of total amount that you will have to pay

= Investment amount + Application Fee paid

= MYR10,000.00 + MYR550.00

= MYR10,550.00

* The number of units that you received will be rounded to two (2) decimal places.

[#] The Application Fee imposed will be rounded to two (2) decimal places.

Calculation of investment value

Assuming you have 20,000 units Class XYZ of the Fund and the NAV per unit for the Business Day is MYR0.5110 (truncated to 4 decimal places).

Calculation of investment value

= Number of units x NAV per unit of Class XYZ

= 20,000.00 units x MYR0.5110

= MYR10,220.00

Calculation of withdrawal value and amount payable to you

Assuming you request for a 10,000.00 units withdrawal. Your withdrawal request is received by 4:00 p.m. on a Business Day. NAV per unit of Class XYZ for that Business Day is MYR0.5230 (truncated to 4 decimal places).

Calculation of amount payable to you

= Number of units withdrawn x NAV per unit of Class XYZ
= 10,000.00 units x MYR0.5230
= MYR5,230.00

3.3. INCORRECT PRICING

We shall take immediate remedial action to rectify any incorrect valuation and/or pricing of the Class/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 Class/Fund for any withdrawal of units; and/or
 - (ii) you, if you have purchase units of the Class/Fund at a higher price; or
- (b) in the event of under valuation and/or pricing, we shall reimburse:
 - (i) the Class/Fund for any subscription of units; and/or
 - (ii) you, if you have withdraw units of the Class/Fund at a lower price.

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

- (i) is equal or more than 0.50% of the NAV per unit; and
- (ii) results in a sum total of MYR10.00 (or in the case of a foreign currency Class/Fund, 10.00 denominated in the foreign currency denomination of the Class/Fund) 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 abovesaid limits or threshold from time to time subject to any regulatory or governing body's requirement.

3.4. INVESTING

3.4.1. Who can invest?

You are eligible to invest in the Funds if you are:

- an individual who is at least eighteen (18) years of age and are 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).

Notwithstanding the above, we have the right to accept or reject any application in whole or in part thereof without assigning any reason in respect thereof.

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

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

3.4.2. How to invest?

You may invest through any of our Distributors, Principal Malaysia's office or such other method as we may advise from time to time after completing the relevant application forms and attaching a copy of your identity card, passport or any other identification document (where applicable). We may request for additional supporting document(s) or information from you. Your application should 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 make a payment:

- by crossed cheque, banker's draft 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; or
- directly from your bank account held with our Distributors, where applicable; or
- by such other mode of payment that we and/or the relevant authorities may 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.

3.4.3. Regular Savings Plan (RSP)

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

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

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

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 by the Trustee and the Manager as having ownership to such unit. The Manager or Trustee may require such necessary evidence proving the death of the Unit holder. His/her Units will be dealt with in accordance with the Deed and applicable laws and regulations.

3.4.5. Who is distributing these Funds?

The Funds may be distributed via the following channels:

- Principal Malaysia's offices;
- Principal Distributors;
- IUTAs; and
- such other channels as we may decide from time to time.

You may invest into the Funds via us, any of our Distributors or such other channels (where available). Please refer to the "Distributors of the Fund" chapter for further details. Please note that we have the discretion in determining the Distributors of the Fund, including its appointment and/or termination from time to time. You may contact our Customer Care Centre under the "Corporate Directory" section or refer to our website at www.principal.com.my for more information.

You should not make payment in cash to any individual agent or employee of Principal Malaysia or issue a cheque in the name of any individual agent or employee of Principal Malaysia when purchasing units of a fund.

- 3.4.6. Please take note that if your investments are made through an IUTA via a nominee system of ownership, you would not be deemed to be a Unit holder under the Deeds and as a result, you 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).

3.5. MINIMUM INVESTMENTS

The minimum initial and additional investment for each Class is stipulated in the table below.

	Class	Minimum initial investment [#]	Minimum additional investment [#]	Regular Savings Plan (RSP)	
				Minimum initial investment [#]	Minimum additional investment [#]
				<i>Note: The currency denomination of the investment will be based on the respective Class of the Funds.</i>	
Equity Funds					
Principal Malaysia Titans Fund	MYR	500	200	500	200
Principal Malaysia Enhanced Opportunities Fund	MYR	500	200	500	200
Principal Malaysia Opportunities Fund	MYR	500	200	500	200
Principal Titans Growth & Income Fund	MYR	500	200	500	200
Principal Titans Income Plus Fund	MYR	500	200	500	200
Principal Small Cap Opportunities Fund	MYR	500	200	500	200
Principal KLCI-Linked Fund*	N/A	500	200	500	200
Mixed Asset Funds					
Principal Lifetime Balanced Fund	MYR	500	200	500	200
Principal Lifetime Balanced Income Fund	MYR	500	200	500	200
Principal Dynamic Enhanced Malaysia Income Fund	MYR	500	200	500	200

Class		Minimum initial investment [#]	Minimum additional investment [#]	Regular Savings Plan (RSP)	
				Minimum initial investment [#]	Minimum additional investment [#]
Note: The currency denomination of the investment will be based on the respective Class of the Funds.					
Fixed Income Funds					
Principal Lifetime Bond Fund	MYR	2,000	500	2,000	500
Principal Lifetime Enhanced Bond Fund	MYR	2,000	500	2,000	500
Regional & Global Funds					
Principal Asia Titans Fund	MYR	500	200	500	200
Principal China-India-Indonesia Opportunities Fund	MYR	500	200	500	200
Principal Greater Bay Fund	AUD-Hedged	1,000	100	N/A	N/A
	MYR-Hedged	1,000	100	N/A	N/A
	SGD-Hedged	1,000	100	N/A	N/A
	USD	1,000	100	N/A	N/A
Principal Asia Dynamic Bond Fund	MYR	1,000	100	1,000	100
Principal China Direct Opportunities Fund	MYR	1,000	100	1,000	100
	SGD	1,000	100	N/A	N/A
	USD	1,000	100	N/A	N/A
Principal US High Conviction Equity Fund	MYR	100	100	100	100
	MYR-Hedged	100	100	100	100
	SGD	100	100	N/A	N/A
	USD	100	100	N/A	N/A
Principal Asia Pacific Renewables Fund	AUD-Hedged	100	100	N/A	N/A
	MYR-Hedged	100	100	100	100
	SGD-Hedged	100	100	N/A	N/A
	USD	100	100	N/A	N/A

[#] The amount includes any applicable fees and charges, such as application fee (if any), which are subject to any applicable taxes.

* KLF is not a multi-class fund and is denominated in Ringgit Malaysia.

Note:

We reserve our sole and absolute discretion without providing any reason whatsoever and at any time to accept, reject, amend, vary, waive and/or reduce (as the case maybe): (i) your request for a lower amount or number of units when purchasing units (or additional units) or withdrawing units; and/or (ii) the minimum balance. For increase in the number of units for minimum withdrawal and minimum balance, we will require concurrence from the Trustee and you will be notified of such changes.

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

The minimum initial investment for EPF-MIS shall be RM1,000 or such other amount as determined by EPF or as per the amount stated above, whichever is higher. Please note that there may be changes to the status of the eligibility of the Fund under the EPF-MIS from time to time. Please refer to our website at www.principal.com.my or www.kwsp.gov.my for updated information.

3.5.1. Processing an application

If we receive and accepted 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 and accepted the application after 4:00 p.m. on a Business Day, we will process it using the NAV per unit for the next Business Day. We will only process complete applications, i.e. when we have received all the necessary and required information and/or documentations. The number of units you receive will be rounded to two (2) decimal places.

3.6. MINIMUM WITHDRAWALS AND MINIMUM BALANCE

The minimum withdrawals and minimum balance for the each Class are stipulated in the table below, unless you are withdrawing your entire investment. You may withdraw by completing a withdrawal application and submit to the relevant Distributor, Principal Malaysia's office or such other channel (where applicable). There is no restriction on the frequency of withdrawals. We will transfer the withdrawal proceeds to the bank account number provided by you. Please note that for EPF-MIS, your withdrawal proceeds will be paid to EPF.

	Class	Minimum withdrawal (units)	Minimum balance (units)
Equity Funds			
Principal Malaysia Titans Fund	MYR	200	250
Principal Malaysia Enhanced Opportunities Fund	MYR	400	500
Principal Malaysia Opportunities Fund	MYR	400	500
Principal Titans Growth & Income Fund	MYR	200	250
Principal Titans Income Plus Fund	MYR	200	250
Principal Small Cap Opportunities Fund	MYR	400	500
Principal KLCI-Linked Fund*	N/A	400	250
Mixed Asset Funds			
Principal Lifetime Balanced Fund	MYR	400	500
Principal Lifetime Balanced Income Fund	MYR	200	250
Principal Dynamic Enhanced Malaysia Income Fund	MYR	400	500
Fixed Income Funds			
Principal Lifetime Bond Fund	MYR	500	1,000
Principal Lifetime Enhanced Bond Fund	MYR	500	1,000
Regional & Global Funds			
Principal Asia Titans Fund	MYR	400	500
Principal China-India-Indonesia Opportunities Fund	MYR	500	1,000
Principal Greater Bay Fund	AUD-Hedged	100	1,000
	MYR-Hedged	100	1,000
	SGD-Hedged	100	1,000
	USD	100	1,000
Principal Asia Dynamic Bond Fund	MYR	100	1,000
Principal China Direct Opportunities Fund	MYR	100	1,000
	SGD	100	1,000
	USD	100	1,000
Principal US High Conviction Equity Fund	MYR	100	100
	MYR-Hedged	100	100
	SGD	100	100
	USD	100	100
Principal Asia Pacific Renewables Fund	AUD-Hedged	100	100
	MYR-Hedged	100	100
	SGD-Hedged	100	100
	USD	100	100

Note:

- There is no exit and re-entry option.
- Withdrawal is subject to the minimum balance being maintained.
- We reserve our sole and absolute discretion without providing any reason whatsoever and at any time to accept, reject, amend, vary, waive and/or reduce (as the case maybe): (i) your request for a lower amount or number of units when purchasing units (or additional units) or withdrawing units; and/or (ii) the minimum balance. For increase in the number of units for minimum withdrawal and minimum balance, we will require concurrence from the Trustee and you will be notified of such changes.

- We may for any reason and at any time, waive or reduce: (a) any fees (except for the Trustee Fee); (b) other charges payable by you to the Funds; and/or (c) transactional values including but not limited to the units or amount, for any Unit holder and/or investments made via any distribution channels or platform.
- * KLF is not a multi-class fund and is denominated in Ringgit Malaysia.

3.6.1. 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 using the NAV per unit for the next Business Day (T+1).

The amount that you will receive is calculated by the withdrawal value less the Withdrawal Fee, if any. You will be paid in the currency of the Class (e.g. Class MYR will be paid in MYR) within seven (7) Business Days of upon our receipt of the complete withdrawal request. You will have to bear the applicable bank fees and charges, if any. If the balance (i.e. number of units) of your investment drops below the minimum balance stipulated above, further investment will be required until the balance of the investment is at least the stipulated minimum balance.

For **OP-SCO**, if the Fund's total withdrawal amount is fifteen percent (15%) or more of the total NAV of the Fund for a Business Day, we will pay to you within fifteen (15) calendar days from the day we receive the withdrawal notice. For details, please refer to "Approvals and Conditions" section on page 43.

Applicable for GBAY & OP-CDO only

Currently, repatriations of funds out of China by open-ended funds are not subjected to repatriation restrictions. However, there is no guarantee that repatriation restrictions will not be imposed in the future. Investors should note that should there be restrictions imposed on repatriation of funds out of China, it may impact the Fund's ability to meet withdrawal requests on a timely basis.

3.7. COOLING-OFF PERIOD

For first time individual investor investing with us, you have six (6) Business Days after your initial investment (i.e. from the date the completed application is received and accepted by us or any of our Distributors) to reconsider its 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 or prevailing NAV per unit at the point of cooling-off (whichever is lower) ("Refund Amount"). We will pay the Refund Amount including the Application Fee (if any) to you in the currency of the respective Class within seven (7) Business Days from the date we receive the complete documentations. Please note that the cooling-off right is only given to first time investor investing with us or our Distributors. However, Principal Malaysia's staff and person(s) registered with a body approved by the SC to deal in unit trust funds are not entitled to the cooling-off right.

If the Fund is an EPF-MIS approved fund and you have invested via EPF-MIS, your cooling-off right is subject to EPF's terms and conditions.

3.8. SWITCHING

Where available, we process a switch between the Classes of the Fund or between a Class/Fund and other Principal Malaysia's fund (or its classes) which should be denominated in the same currency. You may contact our Customer Care Centre under the "Corporate Directory" section for more information on the availability of switching. The switching is based on the value of your investments in the Class, at the point of exercising the switch.

Switching will be conducted based on the value of your investment in the Class/Fund. The minimum amount for a switch is subject to:

- For switching out of the Class/Fund:
 - the minimum withdrawal applicable to the Class/Fund;
 - the minimum balance required for the Class/Fund, unless you are withdrawing from the Class/Fund in entirety; and
 - the Withdrawal Fee of the Class/Fund (if any).
- For switching into the Class/Fund
 - the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Class/Fund ; and
 - the Switching Fee applicable for the proposed switch (if any).

To switch, simply complete a switch application and send to our Distributors, our Principal Malaysia's office or such other channel. Currently, there is no restriction on the frequency of switches. You may negotiate to lower the amount for your switch with us or our Distributors. However, we have the discretion to allow or to reject any switching into (or out of) a Fund or Class and other Principal Malaysia's funds.

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

3.8.1. Processing a switch

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

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

3.9. TRANSFER FACILITY

Where available, you may transfer your units to another investor subject to conditions stipulated in the respective Deeds. A Transfer Fee of not more than MYR50/ SGD15 / USD15/ AUD 15 may be charged for each transfer. However, we may refuse to register any transfer of unit at our absolute discretion.

3.10. TEMPORARY SUSPENSION

Subject to the requirements in the GUTF and/or the Deed, we and the Trustee may temporarily suspend the dealing in units of the Fund or Class when there is good and sufficient reason to do so.

To avoid suspension of the Fund, the Fund will hold adequate liquid assets and if the liquid assets are insufficient to meet redemption requests, we will either liquidate the investments of the Fund or seek temporary financing, considering which is in the best interests of Unit Holders. Before carrying out any suspension of the Fund after we have taken all considerations under liquidity risk management framework, we will ensure that we have exhausted all possible avenues to avoid a suspension of the Fund, and only as a last resort, and in consultation with the Trustee and having considered the interests of the Unit Holders, suspend the sale (if applicable) and repurchase of Units where it is impractical for us to calculate the NAV of the Fund when material portion of the asset of the Fund is affected due to but not limited to the following:

- (i) the closure of a securities exchange or trading restrictions in the securities exchange; or
- (ii) an emergency or other state of affairs; or
- (iii) the declaration of a moratorium in a country where that Fund has assets; or
- (iv) for the purpose of conversion of any currency, a closure or restrictions on trading in the relevant foreign market exchange; or
- (v) the realisation of the assets of the Fund not being able to be effected at prices which are fair to the Fund and/or within a reasonable period as a result of an unstable or disorderly market.

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 applications, withdrawals, switches, and/or transfers of units before the suspension is declared, please note that your request will only be processed on the next Business Day after the cessation of suspension of the Fund. You will also be notified of the suspension and when the suspension is lifted. In such case, you will not be able to redeem your units and will be compelled to remain invested in the Fund for a longer period of time than original timeline. Hence, your investments will continue to be subjected to the risks inherent to the Fund (please refer to the "Risk Factors" section).

3.11. DISTRIBUTION PAYMENT

Depending on the distribution policy of the respective Class/Fund, distribution (if any) will be made at the end of each distribution period to the Class(es)/Fund according to its distribution policy. Each unit of the Class/Fund will receive the same distribution for a distribution period regardless of when those units were purchased. The distribution amount you will receive is calculated by multiplying the total number of units held by you in the Class/Fund with the distribution amount in cent per unit. On the distribution date, the NAV per unit will adjust accordingly. For more information on the distribution policy of each Class/Fund, please see the respective Fund under "Funds information" chapter.

All distributions (if any) will be automatically reinvested into additional units in the Class/Fund at the NAV per unit of the Class/Fund on the distribution date (the number of units will be rounded 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 valid and active bank account in the currency denomination of that Class/Fund, 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/Fund, 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).

TI-TIP, LI-B and DY-DEMI may distribute from realised income, realised capital gains, unrealised income, unrealised capital gains, capital or combination of any of the above. Distributions are at our discretion and are not guaranteed, and the making of any distribution does not imply that further distributions will be made and we reserve the right to vary the frequency and/or amount of distributions. Distribution out of capital is to allow the Fund the ability to distribute more income or to pursue the investment strategy of the Fund. The effects of making distribution out of capital has a risk of eroding the capital of the Fund.

Distribution out of capital is subject to the following:

- (a) for the purpose of managing the fund more efficiently;
- (b) to reduce the cost incurred in buying and selling of shares;
- (c) stability and sustainability of distribution of income;
- (d) cash flow for distribution; and
- (e) taking into consideration the level of capital and performance of the fund.

Distribution out of capital represent a return or withdrawal of part of the amount of your original investment and/or capital gains attributable to the original investment and will result in a reduction in the NAV per Unit of the Classes and reduce the capital available for future investment and capital growth. Future capital growth may therefore be constrained and the value of future returns would be diminished.

Note: Please note that for Class(es)/Fund that provide distribution, we have the right to make provisions for reserves in respect of distribution of the Class/Fund. 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 64realized income and/or 64realized gains, as well as the performance of the Funds.

3.12. UNCLAIMED MONEYS

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

For income distribution payout to you by cheque, if any, which remains unclaimed for six (6) months will be reinvested into the Class/Fund within 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 provided that you still hold units of the Class/Fund. As for income distribution payout to you by bank transfer, if any, which remained unsuccessful and unclaimed for six (6) months, it will be reinvested into the Class/Fund within thirty (30) Business Days after the six (6) months period based on the prevailing NAV per unit on the day of the reinvestment provided that you still hold units of the Class/Fund. No Application Fee is payable for the reinvestment. In the event that you no longer hold any unit in the Class/Fund, the distribution money would be subject to the same 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.

4. ADDITIONAL INFORMATION

4.1. FINANCIAL YEAR-END

	Fund Name	Financial year-end
Equity Funds	Principal Malaysia Titans Fund	30 June.
	Principal Malaysia Enhanced Opportunities Fund	30 April.
	Principal Malaysia Opportunities Fund	31 December.
	Principal Titans Growth & Income Fund	30 April.
	Principal Titans Income Plus Fund	31 January.
	Principal Small Cap Opportunities Fund	31 December.
	Principal KLCI-Linked Fund	30 September.
Mixed Asset Funds	Principal Lifetime Balanced Fund	31 December.
	Principal Lifetime Balanced Income Fund	31 August.
	Principal Dynamic Enhanced Malaysia Income Fund	31 December.
Fixed Income Funds	Principal Lifetime Bond Fund	31 December.
	Principal Lifetime Enhanced Bond Fund	31 December.
Regional & Global Funds	Principal Asia Titans Fund	30 June.
	Principal China-India-Indonesia Opportunities Fund	30 September.
	Principal Greater Bay Fund	28 February (29 February in the event of leap year).
	Principal Asia Dynamic Bond Fund	31 March.
	Principal China Direct Opportunities Fund	28 February (29 February in the event of leap year).
	Principal US High Conviction Equity Fund	30 September.
	Principal Asia Pacific Renewables Fund	30 April.

4.2. INFORMATION ON YOUR INVESTMENT

We will send you the following

- Your Principal Malaysia investor account number;
- Confirmation on all your transactions and distributions (if any);
- Confirmation on any changes to your address if you have written to us to make the changes;
- Quarterly statement showing details of your transactions and distributions (if any); and
- Interim and audited annual report showing snapshots of the Fund and details of the portfolio for the respective period reported. Both the interim report and the audited annual report will be sent to you within two (2) months of the end of the period reported.

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

In the case of joint Unit holders, all correspondences and payments will be made and sent to the first registered Unit holder.

Please take note that if you have invested through an IUTA via a nominee system of ownership, you would not be deemed as a Unit holder under the Deed. As such, you may obtain the above-mentioned information from that IUTA.

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

If you have any questions about the information in this Master Prospectus or would like to know more about investing in the Principal Malaysia family of unit trust funds, please contact our Customer Care Centre under the "Corporate Directory" section during our business hour between 8:45 a.m. to 5:45 p.m. (Malaysian time) from Mondays to Fridays or you may email us at service@principal.com.my.

If you wish to write-in, please address your letter to:

Principal Asset Management Berhad
Customer Care Centre
 Ground Floor Bangunan CIMB
 Jalan Semantan
 Damansara Heights
 50490 Kuala Lumpur, MALAYSIA

4.3. DEEDS

This table describes the Deeds governing the Funds.

	Deeds
Equity Funds	• Master Deed dated 15 May 2008 • First Supplemental Deed dated 25 June 2008 • Second Supplemental Master Deed dated 25 June 2008 • Third Supplemental Master Deed dated 14 July 2008 • Fourth Supplemental Master Deed dated 18 March 2009 • Fifth Supplemental Master Deed dated 16 July 2009 • Sixth Supplemental Master Deed dated 16 December 2009 • Seventh Supplemental Master Deed dated 11 February 2010 • Eighth Supplemental Master Deed dated 14 June 2010 • Ninth Supplemental Master Deed dated 25 November 2010 • Thirteenth Supplemental Master Deed dated 26 June 2012 • Fourteenth Supplemental Master Deed dated 21 September 2012 • Eighteenth Supplemental Master Deed dated 25 March 2015. • Nineteenth Supplemental Master Deed dated 11 May 2016. • Twentieth Supplemental Master Deed dated 21 October 2019 • Twenty Third Supplemental Master Deed dated 27 June 2022 • Twenty Fourth Supplemental Master Deed dated 13 January 2023
Mixed Asset Funds	
Fixed Income Funds	
Regional & Global Funds	<u>For KLF:</u> • Master Deed Constituting Index Funds dated 30 November 2007 • First Supplemental Master Deed dated 25 June 2008 • Second Supplemental Master Deed dated 14 July 2008 • Third Supplemental Deed dated 16 July 2009 • Fourth Supplemental Deed dated 26 July 2013 • Fifth Supplemental Deed dated 23 March 2015. • Sixth Supplemental Deed dated 21 October 2019. • Seventh Supplemental Deed dated 13 January 2023 <u>For GBAY:</u> • Master Deed dated 28 August 2019 • First Supplemental Deed dated 10 January 2023 <u>For DY-ADB:</u> • Master Deed dated 29 May 2017 • First Supplemental Deed dated 7 November 2019 • Second Supplemental Deed dated 10 January 2023 <u>For OP-CDO:</u> • Master Deed dated 22 January 2018 • First Supplemental Deed dated 7 November 2019 • Second Supplemental Deed dated 10 January 2023 <u>For UHCE:</u> • Master Deed dated 20 August 2021 • First Supplemental Deed dated 10 January 2023 <u>For APRE:</u> • Master Deed dated 25 November 2021 • First Supplemental Deed dated 10 January 2023

4.4. DOCUMENTS AVAILABLE FOR INSPECTION

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

- The Deed;
- This Master Prospectus and its supplementary or replacement prospectus, if any;
- The latest annual and interim reports of the Funds, which includes the audited financial statements of the Funds (where available) for the current financial year and for the last three (3) financials years or if less than three (3) years, from the date of launch of the Funds;
- Material contracts or documents disclosed in this Master Prospectus and, in the case of contracts not reduced into writing, a memorandum which gives full particulars of the contracts;
- Any reports, letters or other documents, valuations and statements by any expert, any part of which is extracted or referred to in this Master Prospectus;
- The audited financial statements of the Manager for the current financial year and for the last three (3) financials years or if less than three (3) years, from the date of incorporation or commencement;
- Writ and relevant cause papers for all current material litigation and arbitration disclosed in this Master Prospectus; and
- Consent given by experts disclosed in this Master Prospectus, if any.

4.5. CONSENT

Ernst & Young Tax Consultants Sdn. Bhd., AmanahRaya Trustees Berhad, Maybank Trustees Berhad, PB Trustee Services Berhad, HSBC (Malaysia) Trustee Berhad, Universal Trustee (Malaysia) Berhad, Principal Asset Management (S) Pte. Ltd., Principal Global Investors, LLC. and CCB Principal Asset Management Co. Ltd have given their written consent to act in their respective capacity. They have also given their consent for the inclusion of their names, statements and/or reports in this Master Prospectus in the form and context in which it appears and have not subsequently withdrawn their consent to the inclusion of their names, statements and/or reports in the form and context in which it appears in this Master Prospectus.

4.6. POTENTIAL CONFLICTS OF INTERESTS AND RELATED PARTY TRANSACTIONS

We (including our directors) will at all times act in your best interest and will not conduct ourselves in any manner that will result in a conflict of interest or potential conflict of interest. In the unlikely event that any conflict of interest arises, such conflict shall be resolved such that the Funds are not disadvantaged. In the unlikely event that we face conflicts in respect of our duties as the manager to the Funds and to other Principal Malaysia's fund 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 Deeds.

We shall not act as principals in the sale and purchase of any securities or investments to and from the Funds. We shall not make any investment for the Funds in any securities, properties or assets in which we or our officer has financial interest in or from which we or our officer derives a benefit, unless with the prior approval of the Trustees. We (including our directors) hold substantial shareholdings or directorships in public companies shall refrain from any decision making relating to that particular investment of the Funds.

The Funds may maintain Deposits with CIMB Bank Berhad, CIMB Islamic Bank Berhad and CIMB Investment Bank Berhad. We may enter into transactions with other companies within PFG and CIMB Group provided that the transactions are effected at market prices and are conducted at arm's 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 person(s) or members of a committee undertaking the oversight function of the Fund to ensure compliance to the relevant regulatory requirements

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.

Distributor may be our related party. We will ensure that any arrangement made will be at arm's length.

Trustee

As for the trustees and service providers for the Funds, there may be related party transactions involving or in connection with the Funds in the following events:

- 1) where a Fund invests in instrument(s) offered by the related party of the Trustees (i.e. placement of moneys, structured products, etc);
- 2) where a Fund is being distributed by the related party of the Trustees;
- 3) where the assets of a Fund are being custodised by the related party of the Trustees both as sub-custodian and/or global custodian of the Fund (Trustee's delegate); and
- 4) where a Fund obtains financing as permitted under the GUTF, from the related party of the Trustees.

The Trustees have in place policies and procedures to deal with any conflict of interest situation. The Trustees will not make improper use of its position as the owner of a 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 Trustees and/or their related group of companies may deal with each other, the Funds or any Unit holder or enter into any contract or transaction with each other, the Funds or any form of such contract or transaction or act in the same and similar capacity in relation to any other scheme.

4.7. INTERESTS IN THE FUNDS

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

4.8. EMPLOYEES' SECURITIES DEALINGS

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

5. THE MANAGER

5.1. ABOUT PRINCIPAL ASSET MANAGEMENT BERHAD

Principal Malaysia was incorporated on 13 June 1994 and is a joint venture between PFG and CIMB Group. Principal Malaysia has experience operating unit trust funds since 1994.

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

- maintaining a register of Unit holders;
- implementing the appropriate investment strategies to achieve the Funds' 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 proceeding which might materially affect the business/financial position of Principal Malaysia.

5.1.1. The name and designation of each of the directors can be found in our website at www.principal.com.my/en/about-us/leadership.

5.1.2. 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:	He was appointed as the Chief Investment Officer on 22 February 2016. He comes with an extensive 20 years of experience in asset management and is backed by numerous ASEAN awards from Malaysian pension funds in 2013 and 2015. He was previously the Head of ASEAN equities at BNP Paribas Investment Partners, Malaysia where he was overseeing ASEAN equities for both Malaysian and offshore clients from 2012. Prior to that, he served as Senior Vice President for CIMB-Principal Asset Management Berhad where he specialised in Malaysia, ASEAN and Asia specialist funds. He also worked as a portfolio manager at Riggs and Co International Private Banking in London specialising in managing global ETF portfolios.
Qualifications:	MSc Finance from City University Business School and BSc Accounting and Financial Analysis from University of Warwick, UK.

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

6. THE SUB-MANAGER

6.1. ABOUT PRINCIPAL ASSET MANAGEMENT (S) PTE. LTD.

Principal Singapore was appointed as the Sub-Manager for **Principal Asia Titans Fund** on 1 September 2008, **Principal China-India-Indonesia Opportunities Fund** on 30 June 2012 and **Principal Asia Pacific Renewables Fund** on 18 May 2022. Principal Singapore was granted the discretion to manage, realise, invest, reinvest or howsoever deal in accordance with the investment objectives of each of these Funds. The Sub-Manager's discretionary authority over the investments of these Funds is subject to the GUTF, the CMSA and the internal policies and procedures.

Principal Malaysia shall be responsible for the review, monitoring and oversight of Principal Singapore in the performance of its duties and obligations in respect of these Funds.

Principal Singapore was incorporated in Singapore on 18 May 2006, and has been in the fund management industry for more than ten (10) years. The company is a wholly-owned subsidiary of Principal Malaysia. Principal Singapore is a regional asset management company established in Singapore offering both Islamic and conventional fund management services. The company manages regional investment activities for the Principal Asset Management group of companies.

Principal Singapore is a licensed fund manager regulated by the Monetary Authority of Singapore.

As at LPD, there is no litigation or arbitration proceeding current, pending or threatened against or initiated by Principal Singapore nor is there any fact likely to give rise to any proceeding which might materially affect the business/financial position of Principal Singapore or any of its delegates.

6.1.1. Designated person responsible for fund management function

Name:	Christopher Leow
Designation:	Chief Executive Officer and Chief Investment Officer, Principal Singapore
Experience:	Mr Leow joined Principal Malaysia in December 2003 and was transferred to Principal Singapore in May 2007. He has more than 20 years of experience in the equities and fund management industry. He is the Chief Executive Officer, Chief Investment Officer and a director of Principal Singapore, and is responsible for leading the International Investment team based in Singapore. He has been registered with the Authority under the Securities and Futures Act as a Representative of Principal Singapore in fund management since September 2007.
Qualifications:	Bachelor of Commerce in Accounting and Finance (Hons) from the University of Western Australia. He is a CFA and a Certified Financial Planner.

6.2. ABOUT PRINCIPAL GLOBAL INVESTORS, LLC

PGL was appointed as the Sub-Manager for **Principal US High Conviction Equity Fund** on 12 January 2022. As the Sub-Manager, PGL is responsible for the investment management function of the Fund, which granted it with the discretion to manage, realize, invest, reinvest or howsoever deal with the Fund in accordance with the investment objective of the Fund. The Sub-Manager's discretionary authority over the investments of the Fund is subject to the GUTF and the internal policies and procedures. Principal Malaysia shall be responsible for the review, monitoring and oversight of PGL in the performance of its duties and obligations in respect of the Fund.

PGL is a global investment management leader and wholly-owned subsidiary of the Principal Financial Group® ("The Principal®"), a public company listed on the NASDAQ under ticker symbol PFG. The Principal® was founded in 1879, began managing retirement assets in 1941, and today operates four primary business segments: Principal Global Investors, Retirement and Investor Services, Principal International, and Insurance Solutions.

PGL was formed as a Delaware Limited Liability Company in 1998 and became a registered investment advisor with the U.S. Securities and Exchange Commission on October 26, 1998 bringing together more than six decades of asset management experience of the company into a single organization. There have been no major organizational or ownership changes to the firm since inception.

The multi-boutique strategy of PGL enables it to provide comprehensive investment solutions for its clients and encompasses a growing network of specialized investment boutiques and teams with focused expertise in equities, fixed income, real estate, and asset allocation, as well as currency management, stable value management, and other structured investment strategies.

Principal Global Equities ("PGE") is a specialized investment management group within PGL. PGE has been investing in global equity markets since 1987 and the team manages \$104 billion in equity assets as of end March 2021. PGE provides client-focused active fundamental strategies and systematic solutions across equity markets worldwide.

There is no litigation or arbitration proceeding current, pending or threatened against or initiated by PGI nor is PGI aware of any facts likely to give rise to any proceeding, which might materially affect the business/financial position of PGI.

6.2.1. Designated person responsible for fund management function

Phil K. Nordhus, CFA – Portfolio Manager

Phil is a portfolio manager for Principal Global Equities. He serves as lead portfolio manager for all actively managed U.S. small-cap and SMID-cap equity strategies. He also co-manages Global Small Cap equity strategies as well as having research responsibilities for the U.S. small-cap energy sector. Phil joined the firm in 1990 and was previously in corporate acquisitions and divestitures before moving to the equity group in 2000. He received an MBA from Drake University and a bachelor's degree in economics from Kansas State University. Phil has earned the right to use the Chartered Financial Analyst designation and is a member of the CFA Institute.

Brian W. Pattinson, CFA – Portfolio Manager

Brian is a portfolio manager for Principal Global Equities. Brian leads the global small-cap team which encompasses global, international, regional and U.S. small-cap strategies. He serves as the lead portfolio manager for the firm's international portfolios while providing oversight to the U.S. small-cap team. Brian also leads the global small-cap team's research and development efforts. He joined the firm in 1994 and became a portfolio manager in 2001. Brian received an MBA and a bachelor's degree in finance from the University of Iowa. Brian has earned the right to use the Chartered Financial Analyst designation and is a member of the CFA Institute.

Note: For more information, updated information, and/or change in sub-management arrangement (if any), please refer to our website at www.principal.com.my.

7. PRINCIPAL ASSET MANAGEMENT (S) PTE.LTD.

7.1. ABOUT PRINCIPAL ASSET MANAGEMENT (S) PTE. LTD.

Principal Singapore will advise and provide investment research and stock recommendation to the Manager for **Principal Titans Growth & Income Fund** and **Principal Titans Income Plus Fund**.

Principal Singapore was incorporated in Singapore on 18 May 2006, and has been in the fund management industry for more than ten (10) years. The company is a wholly-owned subsidiary of Principal Malaysia. Principal Singapore is a regional asset management company established in Singapore offering both Islamic and conventional fund management services. The company manages regional investment activities for the Principal Asset Management group of companies.

Principal Singapore is a licensed fund manager regulated by the Monetary Authority of Singapore.

As at LPD, there is no litigation or arbitration proceeding current, pending or threatened against or initiated by Principal Singapore nor is there any fact likely to give rise to any proceeding which might materially affect the business/financial position of Principal Singapore or any of its delegates.

7.1.1. Key person responsible for investment advice of the Fund

Name:	Christopher Leow
Designation:	Chief Executive Officer and Chief Investment Officer, Principal Singapore
Experience:	Mr Leow joined Principal Malaysia in December 2003 and was transferred to Principal Singapore in May 2007. He has more than 20 years of experience in the equities and fund management industry. He is the Chief Executive Officer, Chief Investment Officer and a director of Principal Singapore, and is responsible for leading the International Investment team based in Singapore. He has been registered with the Authority under the Securities and Futures Act as a Representative of Principal Singapore in fund management since September 2007.
Qualifications:	Bachelor of Commerce in Accounting and Finance (Hons) from the University of Western Australia. He is a CFA and a Certified Financial Planner.

Note: For more information, updated information, and/or change in sub-management arrangement (if any), please refer to our website at www.principal.com.my.

8. CCB PRINCIPAL ASSET MANAGEMENT CO. LTD.

8.1. ABOUT CCB PRINCIPAL ASSET MANAGEMENT CO. LTD.

CCB Principal Asset Management Co. Ltd (“CCBPAM”) will advise and provide investment research and stock recommendation to the Manager for the **Principal Greater Bay Fund** and **Principal China Direct Opportunities Fund**.

CCB Principal Asset Management Co., Ltd. (CCBPAM) was incorporated in September, 2005 in Beijing. The Company offers myriad kinds of service, such as fund raising, fund sales, asset management and other services within the scope approved by China Securities Regulatory Commission (CSRC). Besides, CCB Principal Capital Management Co., Ltd. and CCB Principal Asset Management (Hong Kong) Co., Limited are both subsidiaries of CCBPAM, which has officially joined the UN PRI in 2021.

At the end of 2021, CCBPAM’s total AUM has reached RMB1.36trn, among which, mutual funds has accounted for RMB676.6bn while segregated accounts RMB433.6bn, maintaining CCBPAM’s leading position in the industry. In addition, its affiliate CCB Principal Capital Management Co., Ltd. had RMB250.6bn in assets under management. The Company’s 2021 combined net profits were RMB1,155mn, making its ROE, ROA and cost/income ratio be at a fairly healthy level in the industry.

As the performance of CCBPAM’s segregated account products ranks top 15% to 30% among peers in the Chinese market, CCBPAM, being rated as Double Five-star Asset Manager by the Insurance Asset Management Association of China, has successively won 25 corporate awards, such as the Golden Bull Award and the Golden Fund Award, 53 product awards and 18 portfolio manager awards.

Asset management is the core business of CCBPAM, and contributes nearly all income and profit of the Company. CCBPAM maintains a comprehensive asset management platform that offers capabilities to invest across both domestic and international markets, and to provide clients with products of different risk levels and different strategies. CCBPAM strives to build a robust investment and research, product, IT, operations, and risk management frameworks to deliver a long term oriented, stable, and good performance to its clients.

CCBPAM has strict risk management system and compliance regime to ensure the Company is complied with the law and regulatory policies. Both the Company and the senior management team have not been involved in any business litigation or other legal proceedings related to investment activities since establishment.

As at LPD, there is one (1) litigation pending, there is no other litigation or arbitration proceeding pending or threatened against or initiated by CCBPAM nor is there any fact likely to give rise to any proceeding, which might materially affect the business or financial position of CCBPAM.

8.1.1. Key person responsible for investment advice of the Fund

Mr. Zhang Yilin - Portfolio Manager

Zhang Yilin is a portfolio manager for CCB Principal Asset Management. He joined CCBPAM in 2016 and is mainly responsible for quantitative oriented investment model development, especially active portfolio management strategies for CCBPAM’s Financial Engineering and Index Investment Department. He is a portfolio manager for several segregated accounts. Zhang Yilin received his bachelor's degree in mathematics from Peking University and master's degree in statistics from University of Chicago.

Key person of the Financial Engineering & Index Investment Department

Mr. Liang Hongyun, PhD, CFA - General Manager

Joined **CCB Principal Asset Management** in 2005, Mr Liang served as researcher, senior researcher, assistant director of research department, deputy director of research department, deputy director of investment department, executive director of investment department and General Manager of Financial Engineering & Index Investment Department.

Mr. Liang is the fund manager of CCB Principal MSCI China A Inclusion Index ETF, CCB Principal CSI300 Index Fund, CCB Principal Shuangli Structured Fund, CCB Principal Xinze Fund, CCB Principal SE100 Enhanced Index Fund and CCB Principal ChiNext ETF. The CCB Principal SE100 Enhanced Index Fund has won the Golden Bull Award continuously in 2013 and 2014.

Mr. YE Letian, CFA - Vice General Manager

Mr. Ye is now the Vice General Manager of Financial Engineering & Index Investment Department at CCB Principal Asset Management.

Mr. Ye previously worked for China International Capital Co., Ltd (CICC) as market risk management analyst and quantitative investment manager, and mainly worked on quantitative investment and risk models research. He joined CCB Principal Asset Management in 2011 and presently manages 9 funds, namely CCB Principal CSI S-Cap 500 Enhanced Index Fund, CCB Principal CSI 1000 Enhanced Index Fund, CCB Principal CSI Industrials & Manufacturing Enhanced Index Fund, CCB Principal Quantitative Multi-Factors Fund, CCB Principal CCTV 50 Index Structured Fund, CCB Principal MinFeng Fund, CCB Principal Quantization Youxiang Fund, CCB Principal XinRong Fund and CCB Principal XinLi Fund respectively. These funds have a significant historical performance, particularly the excess return of CCB Principal CSI500 Fund ranked no.1 in peer group from 2015 to 2016.

Note: For more information, updated information and/or change in advisory arrangement (if any), please refer to our website at www.principal.com.my.

9. THE TRUSTEES

9.1. ROLES, DUTIES AND RESPONSIBILITIES OF THE TRUSTEES

The Trustees' main functions are to act as trustee and custodian of the assets of the Funds and to safeguard the interests of the Unit holders of the Funds. They shall:

- act in accordance with the provisions of the Deeds, the CMSA and the GUTF;
- take into its custody the investments of the Funds and hold the investments in trust for the Unit holders;
- ensure that the Manager operates and administers the Funds in accordance with the provisions of the Deeds, the CMSA, the GUTF and acceptable business practice within the unit trust industry;
- ensure that it is fully informed of the investment policies of the Funds and of any changes made thereto, and if it is of the opinion that the policies are not in the interests of the Unit holders, it shall instruct the Manager to take appropriate action as the Trustees deem fit and/or summon a Unit holders' meeting for the purpose of giving such instructions to the Manager as the meeting thinks proper;
- as soon as practicable notify the SC of any irregularity or an actual or anticipated material breach of the provisions of the Deeds, the GUTF and any other matters which in the Trustees' opinion may indicate that the interests of Unit holders are not being served;
- exercise due care, skill, diligence and vigilance in carrying out its functions and duties in actively monitoring the administration of the Funds by the Manager and in safeguarding the interests of Unit holders;
- maintain, or cause the Manager to maintain, proper accounting and other records in relation to those rights and interests, and of all transactions effected by the Manager on account of the Funds; and
- cause those accounts to be audited at least annually by an approved company auditor appointed by the Trustees and send or cause those accounts to be sent to Unit holders within two (2) months of the relevant accounting period.

9.2. TRUSTEES' STATEMENT OF RESPONSIBILITY

The respective Trustees have agreed to assume the position of Trustee of the respective Funds and all the obligations in accordance with the respective Deeds, all relevant laws and rules of law. The respective Trustees shall be entitled to be indemnified out of the respective Funds against all losses, damages or expenses incurred by the Trustees in performing any of its duties or exercising any of its powers under the respective Deeds in relation to the Funds. 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 Trustees having regard to the provisions of the respective Deeds.

9.3. EXEMPTIONS AND VARIATIONS

There have been no exemptions or variations from any relevant securities laws or the GUTF granted to the Trustees by the SC.

9.4. ABOUT AMANAHRAYA TRUSTEES BERHAD

ART is the Trustee of the **Principal Titans Growth & Income Fund** and **Principal Malaysia Enhanced Opportunities Fund**. ART was incorporated under the laws of Malaysia on 23 March 2007 and registered as a trust company under the Trust Companies Act 1949.

ART is a subsidiary of Amanah Raya Berhad (ARB) which is wholly owned by the Government of Malaysia. ART took over the corporate trusteeship functions of ARB and acquired ARB's experience of more than 50 years in trustee business. ART has been registered and approved by the SC to act as trustee to unit trust funds.

9.4.1. ART's delegate

ART has delegated its custodial function of the foreign investments to Citibank N.A, Singapore branch. Citibank N.A. in Singapore began providing securities service in the mid-1970's and a fully operational global custody product was launched in the early 1990's. Today their securities services business claim a global client base of premier banks, fund managers, broker dealers and insurance companies.

The roles and duties of Citibank N.A. Singapore as the trustee's delegate are as follows:

- To act as sub-custodian for the selected cross-border investment of the fund(s) including the opening of cash and custody accounts and to hold in safekeeping the assets of the fund(s), such as equities, bonds and other assets.
- To act as paying agent for selected cross-border investments which include trade settlement and fund transfer services.
- To provide corporate action information or entitlements arising from the above underlying assets and to provide regular reporting on the activities of the invested portfolios.

9.4.2. Material Litigation and Arbitration

As at LPD, neither ART nor its delegates are engaged in any material litigation and arbitration, either as plaintiff or defendant, and the Trustee and its delegate are not aware of any proceedings, pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect their financial position or business.

9.5. ABOUT MAYBANK TRUSTEES BERHAD

MTB is the Trustee of the **Principal Malaysia Opportunities Fund, Principal Small Cap Opportunities Fund, Principal Lifetime Balanced Fund, Principal Dynamic Enhanced Malaysia Income Fund and Principal Lifetime Enhanced Bond Fund** with its registered office at 8th Floor, Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur.

MTB was incorporated on 12 April 1963 and registered as a Trust Company under the Trust Companies Act 1949 on 11 November 1963. It was one of the first local trust companies to provide trustee services with the objective of meeting the financial needs of both individual and corporate clients.

MTB has acquired experience in the administration of unit trust funds/ schemes since 1991.

MTB's role is mainly to act as custodian of the Funds and to exercise all due diligence and vigilance in carrying out its functions and duties to safeguard the rights and interests of the Unit holders. The Trustee is the legal owner of the assets in the Funds. The Trustee will exercise oversight functions over the operation and management of the Funds by the Manager to safeguard the interests of the Unit holders.

9.5.1. MTB's Delegate

MTB has delegated its custodian function to Malayan Banking Berhad. The custodian function is run under Maybank Securities Services ("MSS"), a unit within Malayan Banking Berhad. Maybank Securities Services provides a comprehensive end to end clearing and custody services for global and domestic equities and fixed income securities. MSS provides a complete suite of corporate outsourcing solutions with a proven track record in servicing international institutional clients: Sub Custodian for major Foreign Banks and Global Custodians. MSS also provides Global custody services in more than 100 different markets via a special arrangement with their reputable partners. They have also consistently been awarded in the Global Custodian Awards for Excellence as well as other major publications.

The roles and duties of the trustee's delegate, MSS, are as follows:

- Safekeep, reconcile and maintain assets holdings records of funds against trustee's instructions;
- Act as settlement agent for shares and monies to counterparties against trustee's instructions;
- Act as agents for money market placement where applicable against trustee's instructions;
- Disseminate listed companies' announcements to and follow through for corporate actions instructions from trustee;
- Compile, prepare and submit holdings report to trustee and beneficial owners where relevant; and
- Other ad-hoc payments for work done for the funds against trustee's instructions, etc.

MTB has also appointed Standard Chartered Bank Malaysia Berhad ("SCBMB"), as the custodian of the foreign assets. The assets are held in the name of the respective Funds through the custodian's wholly owned subsidiary and nominee company, Cartaban Nominees. The assets are automatically registered into the name of the respective Funds.

SCBMB opened its first branch in 1875 and is one of the oldest banks in Malaysia with more than 140 years of history. SCBMB is a subsidiary of Standard Chartered PLC and the Bank was locally incorporated as Standard Chartered Bank Malaysia Berhad on 28 February 1984. SCBMB set-up its custody services in 1989 to support both domestic and foreign clients.

The roles and duties of the trustee's delegate, SCBMB, are as follows:

- To act as sub-custodian for the selected cross-border investment of the funds including the opening of cash and custody accounts and to hold in safe keeping the assets of the funds such as equities, bonds and other assets.
- To act as paying agent for the selected cross-border investment which include trade settlement and fund transfer services.
- To provide corporate action information or entitlements arising from the above underlying assets and to provide regular reporting on the activities of the invested portfolios.

Both custodians act only in accordance with instructions from the Trustee.

9.5.2. Material Litigation and Arbitration

As at 31 October 2022, save for the suit(s) mentioned herein below, the Trustee is not engaged in any material litigation as plaintiff or defendant and the Trustee is not aware of any proceedings, pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect its financial position or business.

Several holders of the bonds (“Bondholders”) issued by Aldwich Berhad [In Receivership] (“Aldwich”) have sued Aldwich for its failure to settle its indebtedness to the Bondholders following the default of the said bonds in 2010 and cited the Trustee as one of 6 co-defendants under Kuala Lumpur High Court Civil Suit No. D-22NCC-1622-11/2012 (“Aldwich Bondholders’ Suit”). The claim against the Trustee is for the sum of MYR177,248,747.31 or any other sum that the Court deems fit. The other co-defendants are the holding company of Aldwich (“Holding Company”), the Chief Executive Officer of the holding company of Aldwich (“CEO”), the Security Agent and the Reporting Accountant. The Trustee denied all allegations and claimed trial.

The High Court had on 24 July 2017 delivered its judgement on the Aldwich Bondholders’ Suit (“Judgement”) that (a) all the defendants [i.e. Aldwich, Holding Company, CEO, Security Agent, Trustee and Reporting Accountant] are liable to the Bondholders for the sum of MYR177,248,747.31 (“Judgement Sum”); (b) Aldwich, Holding Company and CEO are 100% liable for the Judgement Sum; and (c) among Security Agent, Trustee and Reporting Accountant, liability is apportioned in the proportion of 50%, 30% and 20% of the Judgement Sum respectively.

The High Court had on 5 October 2017 decided in respect of the outstanding matters arising from the Judgement that (a) the quantum of the Judgement Sum is maintained, and (b) interest is payable based on the reduced sum of MYR148,653,953.20 at the rate of 5% per annum from 1 November 2011 to the date of payment.

The Trustee had filed an appeal against the Judgement (“Appeal”) at the Court of Appeal.

On 18 September 2019, the Court of Appeal dismissed the Appeals and affirmed the decision of the High Court and awarded further costs of MYR100,000.00 against the Trustee. On 16 October 2019, the Trustee had filed its Leave Motion to the Federal Court. The Leave Motion was partially heard on 21 January 2021, 3 September 2021, and 16 February 2022. The Leave Motion was unanimously dismissed by the Federal Court.

9.6. ABOUT PB TRUSTEE SERVICES BERHAD

PBTSB is the Trustee of the **Principal Lifetime Bond Fund**. PBTSB was incorporated on 24 August 1968 and commenced its operations on 22 January 1969, with its registered and business office at 17th Floor, Menara Public Bank, 146 Jalan Ampang, 50450 Kuala Lumpur. PBTSB has an authorized share capital of MYR1,050,000 and a paid-up share capital of MYR525,000.

PBTSB’s experience in trustee business has expanded over the past 40 years since its incorporation in 1968. It currently manages various types of funds in its capacity as trustee. These include private debt securities, writing of wills, management of estates, trusteeship for golf clubs, recreational clubs and time sharing schemes. PBTSB is also acting as a custodian in its capacity.

PBTSB’s main function is to act as trustee and custodian of the assets of the Fund and to safeguard the interests of the Unit holders of the Fund. They shall:

- act in accordance with the provisions of the Deed, the CMSA and the GUTF;
- take into its custody the investments of the Fund and hold the investments in trust for the Unit holders;
- ensure that the Manager operates and administers the Fund in accordance with the provisions of the Deed, the CMSA, the GUTF and acceptable business practice within the unit trust industry;
- ensure that it is fully informed of the investment policies of the Fund and of any changes made thereto, and if it is of the opinion that the policies are not in the interests of the Unit holders, it shall instruct the Manager to take appropriate action as the Trustee deems fit and/or summons a Unit holders’ meeting for the purpose of giving such instructions to the Manager as the meeting thinks proper;
- as soon as practicable notify the SC of any irregularity or an actual or anticipated material breach of the provisions of the Deed, the GUTF and any other matters which in the Trustee’s opinion may indicate that the interests of Unit holders are not being served;
- exercise due care, skill, diligence and vigilance in carrying out its functions and duties, in actively monitoring the administration of the Fund by the Manager and in safeguarding the interests of Unit holders;
- maintain, or cause the Manager to maintain, proper accounting and other records in relation to those rights and interests, and of all transactions effected by the Manager on account of the Fund; and
- cause those accounts to be audited at least annually by an approved company auditor appointed by the Trustee and send or cause those accounts to be sent to Unit holders within two (2) months of the relevant accounting period.

9.6.1. PBTSB’s Delegate

PB Trustee Services Berhad has appointed CIMB Bank Berhad as custodian of the quoted and unquoted local investments of the Fund. CIMB Bank Berhad began providing a security services in the mid-1980’s and a global client base of premier bank, assists investment advisors/clients, managers of domestic and international portfolios, lending banks and international custodians in the movement and management of cash and securities. The custodian’s custody and clearing services include settlement processing and safekeeping, corporate related services including cash and security reporting, income collection and corporate events processing. All investments are automatically registered in the name of the Fund. The custodian acts only in accordance with instructions from the Trustee.

9.6.2. Material Litigation and Arbitration

As at LPD, neither PBTSB nor its delegates are engaged in any material litigation and arbitration, either as plaintiff or defendant, and the Trustee and its delegate are not aware of any proceedings, pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect their financial position or business.

9.7. ABOUT HSBC (MALAYSIA) TRUSTEE BERHAD

HSBCT is the Trustee for **Principal KLCI-Linked Fund, Principal Greater Bay Fund, Principal Asia Dynamic Bond Fund, Principal China Direct Opportunities Fund, Principal US High Conviction Fund and Principal Asia Pacific Renewables Fund**. HSBCT is a company incorporated in Malaysia since 1937 and registered as a trust company under the Trust Companies Act 1949, with its registered address at Level 19, Menara IQ, Lingkaran TRX, 55188 Tun Razak Exchange, Kuala Lumpur.

Roles, Duties and Responsibilities of the Trustee

HSBCT's main function is to act as trustee and custodian of the assets of the Fund and to safeguard the interests of Unit holders of the Funds. In respect of moneys paid by an investor for the application of units, HSBCT's responsibility arises when the moneys are received in the account of HSBCT for the Funds and in respect of withdrawal, HSBCT's responsibility is discharged once it has paid the withdrawal amount to the Manager.

HSBCT 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, HSBCT shall not be liable for any loss resulting from compliance of such policies, except in the case of negligence, wilful default or fraud of HSBCT.

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

HSBCT shall be entitled to process, transfer, release and disclose from time to time any information relating to the Funds, Manager, investors/Unit holders for purposes of performing its duties and obligations in accordance to the Deed, Capital Markets and Services Act 2007, the GUTF and any other legal and/or regulatory obligations such as conducting financial crime risk management, to HSBCT's parent company, subsidiaries, associate company, affiliates, delegates, service providers and/or 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 purpose) 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.

9.7.1. HSBCT's Delegate

HSBCT has appointed the Hongkong and Shanghai Banking Corporation Ltd as the custodian of both the local and foreign assets of the Funds. For quoted and unquoted local investments of the Funds, the assets are held through their HSBC Bank Malaysia Berhad and/or HSBC Nominees (Tempatan) Sdn Bhd. The Hongkong and Shanghai Banking Corporation Ltd is a wholly owned subsidiary of HSBC Holdings Plc, the holding company of the HSBC Group. The custodian's comprehensive custody and clearing services cover traditional settlement processing and safekeeping as well as corporate related services including cash and security reporting, income collection and corporate events processing. All investments are registered in the name of HSBCT or to the order of HSBCT. The custodian acts only in accordance with instructions from HSBCT.

HSBCT 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 any 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 HSBCT to deal or hold any asset of the Fund through such third parties.

9.7.2. Material Litigation and Arbitration

As at LPD, HSBCT 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 HSBCT and any of its delegates

9.8. ABOUT UNIVERSAL TRUSTEE (MALAYSIA) BERHAD

UTMB is the trustee for **Principal Malaysia Titans Fund, Principal Titans Income Plus Fund, Principal Lifetime Balanced Income Fund, Principal Asia Titans Fund and Principal China-India-Indonesia Opportunities Fund**. UTMB was incorporated on 5 March 1974 under the Companies Act, 1965. UTMB has more than thirty years of experience in the unit trust industry.

UTMB has more than thirty years of experience in the unit trust industry.

9.8.1. UTMB's Delegate

UTMB has appointed Citibank Berhad as their delegate for local custody services. Citibank in Malaysia was established on 26 August 1959 as the First National City Bank. It became the first American bank to be locally incorporated on 1 July 1994. It has 11 branches across West Malaysia and an offshore banking unit in Labuan. Citibank Berhad has been an active player in the securities clearing and sub-custody industry in Malaysia since 1985. It is one of the largest institutional trades clearing banks in the securities market. The custody operations unit is also ISO certified.

UTMB has appointed Citibank, N.A., Singapore Branch as their delegate for global custody services. Citibank N.A. Singapore Branch was set up in 1902 and is today the largest foreign bank operating in the territory. With a staff force of about 8,500, Citibank, N.A. Singapore Branch provides a wide array of banking and financial services to institutions, consumers and professional markets in the community. Citibank, N.A. in Singapore began providing Securities & Fund Services in the mid-1970's and a fully operational global custody product was launched in the early 1990's. To date, Citibank, N.A., Singapore's Securities & Fund Services business claims a global client base of premier banks, fund managers, broker dealers and insurance companies.

9.8.2. Material Litigation and Arbitration

As at LPD, neither UTMB nor its delegates are engaged in any material litigation and arbitration, either as plaintiff or defendant, and the Trustee and its delegate are not aware of any proceedings, pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect their financial position or business.

10. SALIENT TERMS OF DEEDS

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

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

KLF is not a multi-class fund and is denominated in Ringgit Malaysia and the provision relating to classes is not applicable to this Fund. Any references to Class shall mean at the Fund level for KLF.

10.1. RIGHTS, LIABILITIES AND LIMITATIONS OF UNIT HOLDERS

10.1.1. Rights

As a Unit holder, you have the right, among others, to:

- (i) 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 Deeds and the GUTF;
- (ii) receive the distribution of the Fund (if any), participate in any increase in the capital value of the units and to other rights and privileges as set out in the Deeds;
- (iii) call for Unit holders' meetings;
- (iv) vote for the removal of the Trustee or the Manager through a Special Resolution;
- (v) receive annual reports, interim reports or any other reports of the Funds; and
- (vi) exercise cooling-off for qualified investors.

Unit holders' rights may be varied by changes to the relevant Deeds, the GUTF or judicial decisions or interpretation.

10.1.2. Liabilities

- (i) Your liability is limited to the purchase price per unit and the Application Fee paid or agreed to be paid for a unit. You need not indemnify the Trustee or us if there is a deficiency in the assets of the Funds to meet the claim of any creditor of the Trustee or ours in respect of the Class/Fund. The Unit holders of one Class will not be liable for any liabilities of the other Classes.
- (ii) The recourse of the Trustees, ours and any creditor is limited to the assets of the Funds.

10.1.3. Limitations

You cannot:

- (i) interfere with any of our rights or powers and/or the rights or powers of the Trustees under the Deeds;
- (ii) exercise a right in respect of an asset of the Funds or lodge a caveat or other notice affecting the asset of the Funds or otherwise claim any interest in the asset of the Funds; or
- (iii) require the asset of the Funds to be transferred to you.

Note: For full details of the rights of a registered Unit holder of the Funds, please refer to the Deeds.

10.2. MAXIMUM FEES AND CHARGES PERMITTED BY THE DEEDS

This table describes the maximum charges permitted by the Deeds and payable **directly** by you.

	Charges		
	Application Fee %/MYR	Withdrawal Fee %/MYR	Switching Fee %/MYR
Equity Funds			
Principal Malaysia Titans Fund	Up to 10% is charged on the NAV per unit	Up to MYR0.05 per unit	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in relation to switching may be charged as set out in the Master Prospectus.

	Charges		
	Application Fee %/MYR	Withdrawal Fee %/MYR	Switching Fee %/MYR
Principal Malaysia Enhanced Opportunities Fund	Up to 10% is charged on the NAV per unit	Up to 5% of the NAV per unit	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in relation to switching may be charged as set out in the Master Prospectus.
Principal Malaysia Opportunities Fund	Up to 6% is charged on the NAV per unit	Nil	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in relation to switching may be charged as set out in the Master Prospectus.
Principal Titans Growth & Income Fund	Up to 10% is charged on the NAV per unit	Up to 5% of the NAV per unit	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in relation to switching may be charged as set out in the Master Prospectus.
Principal Titans Income Plus Fund	Up to 10% is charged on the NAV per unit	Up to 5% of the NAV per unit	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in relation to switching may be charged as set out in the Master Prospectus.
Principal Small Cap Opportunities Fund	Up to 6% is charged on the NAV per unit	Nil	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in relation to switching may be charged as set out in the Master Prospectus.
Principal KLCI-Linked Fund	Up to 10% is charged on the NAV per unit	Up to 5% of the NAV per unit	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in relation to switching may be charged as set out in the Master Prospectus.
Mixed Assets Funds			
Principal Lifetime Balanced Fund	Up to 6% is charged on the NAV per unit	Nil	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in relation to switching may be charged as set out in the Master Prospectus.
Principal Lifetime Balanced Income Fund	Up to 10% is charged on the NAV per unit	Up to 5% of the NAV per unit	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in relation to switching may be charged as set out in the Master Prospectus.
Principal Dynamic Enhanced Malaysia Income Fund	Up to 6% is charged on the NAV per unit	Nil	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in relation to switching may be charged as set out in the Master Prospectus.
Fixed Income Funds			
Principal Lifetime Bond Fund	Up to 6% is charged on the NAV per unit	Nil	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in relation to switching may be charged as set out in the Master Prospectus.

	Charges		
	Application Fee %/MYR	Withdrawal Fee %/MYR	Switching Fee %/MYR
Principal Lifetime Enhanced Bond Fund	Up to 2% is charged on the NAV per unit	Nil	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in relation to switching may be charged as set out in the Master Prospectus.
Regional & Global Funds			
Principal Asia Titans Fund	Up to 10% is charged on the NAV per unit	Up to 5% of the NAV per unit	Any switching fee to be charged will be based on the difference between the application fee charged of the fund to be switched from and the fund to be switched into. An administrative fee in relation to switching may be charged as set out in the Master Prospectus.
Principal China-India-Indonesia Opportunities Fund	Up to 7% is charged on the NAV per unit	Up to 5% of the NAV per unit	Up to 7% of the NAV per unit. An administrative fee in relation to switching may be charged as set out in the Master Prospectus.
Principal Greater Bay Fund	Up to 7% is charged on the NAV per unit	Up to 5% of the NAV per unit	Up to 7% of the NAV per unit. An administrative fee in relation to switching may be charged as set out in the Master Prospectus.
Principal Asia Dynamic Bond Fund	Up to 7% is charged on the NAV per unit	Up to 5% of the NAV per unit	Up to 7% of the NAV per unit. An administrative fee in relation to switching may be charged as set out in the Master Prospectus.
Principal China Direct Opportunities Fund	Up to 7% is charged on the NAV per unit	Up to 5% of the NAV per unit	Up to 7% of the NAV per unit. An administrative fee in relation to switching may be charged as set out in the Master Prospectus.
Principal US High Conviction Equity Fund	Up to 7% is charged on the NAV per unit	Up to 5% of the NAV per unit	Up to 7% of the NAV per unit. An administrative fee in relation to switching may be charged as set out in the Master Prospectus.
Principal Asia Pacific Renewables Fund	Up to 7% is charged on the NAV per unit	Up to 5% of the NAV per unit	Up to 7% of the NAV per unit. An administrative fee in relation to switching may be charged as set out in the Master Prospectus.

This table describes the maximum fees permitted by the Deeds and payable **indirectly** by you.

	Fees															
	Management Fee %/MYR	Trustee Fee %/MYR														
Equity Funds																
Principal Malaysia Titans Fund	Up to 1.50% per annum, calculated daily on the NAV	Calculated daily on the NAV <table><thead><tr><th>Size of the Fund</th><th>Rate per annum</th></tr></thead><tbody><tr><td>First MYR20 million</td><td>0.06%</td></tr><tr><td>Next MYR20million</td><td>0.05%</td></tr><tr><td>Next MYR20 million</td><td>0.04%</td></tr><tr><td>Next MYR20 million</td><td>0.03%</td></tr><tr><td>Next MYR20 million</td><td>0.02%</td></tr><tr><td>Any amount in excess of RM100million</td><td>0.01%</td></tr></tbody></table> in addition to custodian fee of MYR25,000.00 per annum.	Size of the Fund	Rate per annum	First MYR20 million	0.06%	Next MYR20million	0.05%	Next MYR20 million	0.04%	Next MYR20 million	0.03%	Next MYR20 million	0.02%	Any amount in excess of RM100million	0.01%
Size of the Fund	Rate per annum															
First MYR20 million	0.06%															
Next MYR20million	0.05%															
Next MYR20 million	0.04%															
Next MYR20 million	0.03%															
Next MYR20 million	0.02%															
Any amount in excess of RM100million	0.01%															
Principal Malaysia Enhanced Opportunities Fund	Up to 3.00% per annum, calculated daily on the NAV	0.06% per annum, calculated daily on the NAV.														
Principal Malaysia Opportunities Fund	Up to 2.00% per annum, calculated daily on the NAV	0.08% per annum, calculated daily on the NAV.														

	Fees															
	Management Fee %/MYR	Trustee Fee %/MYR														
Principal Titans Growth & Income Fund	Up to 1.50% per annum, calculated daily on the NAV	0.07% per annum, calculated daily on the NAV.														
Principal Titans Income Plus Fund	Up to 3.00% per annum, calculated daily on the NAV	0.06% per annum, calculated daily on the NAV.														
Principal Small Cap Opportunities Fund	Up to 2.00% per annum, calculated daily on the NAV	0.07% per annum, calculated daily on the NAV of the Fund (excluding foreign sub-custodian fees and charges).														
Principal KLCI-Linked Fund	1.50% per annum calculated daily based on the NAV of the Fund	0.07% per annum calculated daily based on the NAV of the Fund. This fee, however may only be increased up to a maximum of 0.20% per annum subject to the agreement by the Manager and the Trustee.														
Mixed Asset Funds																
Principal Lifetime Balanced Fund	Up to 2.00% per annum, calculated daily on the NAV	0.08% per annum, calculated daily on the NAV.														
Principal Lifetime Balanced Income Fund	Up to 1.50% per annum, calculated daily on the NAV	Calculated daily on the NAV <table><tr><th>Size of the Fund</th><th>Rate per annum</th></tr><tr><td>First MYR20 million</td><td>0.06%</td></tr><tr><td>Next MYR20million</td><td>0.05%</td></tr><tr><td>Next RMYR20 million</td><td>0.04%</td></tr><tr><td>Next MYR20 million</td><td>0.03%</td></tr><tr><td>Next MYR20 million</td><td>0.02%</td></tr><tr><td>Any amount in excess of MYR100million</td><td>0.01%</td></tr></table> in addition to custodian fee of MYR20,000.00 per annum.	Size of the Fund	Rate per annum	First MYR20 million	0.06%	Next MYR20million	0.05%	Next RMYR20 million	0.04%	Next MYR20 million	0.03%	Next MYR20 million	0.02%	Any amount in excess of MYR100million	0.01%
Size of the Fund	Rate per annum															
First MYR20 million	0.06%															
Next MYR20million	0.05%															
Next RMYR20 million	0.04%															
Next MYR20 million	0.03%															
Next MYR20 million	0.02%															
Any amount in excess of MYR100million	0.01%															
Principal Dynamic Enhanced Malaysia Income Fund	Up to 2.00% per annum, calculated daily on the NAV	0.08% per annum, calculated daily on the NAV.														
Fixed Income Funds																
Principal Lifetime Bond Fund	Up to 1.50% per annum, calculated daily on the NAV	0.05% per annum, calculated daily on the NAV.														
Principal Lifetime Enhanced Bond Fund	Up to 1.50% per annum, calculated daily on the NAV	0.05% per annum, calculated daily on the NAV (excluding foreign sub-custodian fees and charges).														
Regional & Global Funds																
Principal Asia Titans Fund	Up to 3.00% per annum, calculated daily on the NAV	0.035% per annum, calculated daily on the NAV (excluding foreign sub-custodian fees and charges).														
Principal China-India-Indonesia Opportunities Fund	Up to 3.00% per annum, calculated daily on the NAV	0.08% per annum, calculated daily on the NAV (excluding foreign sub-custodian fees and charges).														
Principal Greater Bay Fund	Up to 3.00% per annum, calculated daily on the NAV	Up to 0.06% per annum, calculated daily on the NAV (including local custodian fees and charges but excluding foreign sub-custodian fees and charges).														
Principal Asia Dynamic Bond Fund	Up to 3.00% per annum, calculated daily on the NAV	Up to 0.05% per annum, calculated daily on the NAV (excluding foreign sub-custodian fees and charges).														
Principal China Direct Opportunities Fund	Up to 3.00% per annum, calculated daily on the NAV	Up to 0.06% per annum, calculated daily on the NAV (excluding foreign sub-custodian fees and charges).														
Principal US High Conviction Equity Fund	Up to 3.00% per annum, calculated daily on the NAV	Up to 0.06% per annum, calculated daily on the NAV (including local custodian fees and charges but excluding foreign sub-custodian fees and charges).														
Principal Asia Pacific Renewables Fund	Up to 3.00% per annum, calculated daily on the NAV	Up to 0.045% per annum, calculated daily on the NAV (including local custodian fees and charges but excluding foreign sub-custodian fees and charges).														

A lower fee and/or charges than what is stated in the Deeds may be charged, all current fees and/or charges will be disclosed in the Master Prospectus.

Any increase of the fees and/or charges above that stated in the current Master Prospectus may be made provided that a supplemental master prospectus is issued and the maximum stated in the Deeds shall not be breached.

Any increase of the fees and/or charges above the maximum stated in the Deeds shall require your approval.

10.2.1. Expenses permitted by the Deeds

The Deeds also provide for payment of other expenses. The major expenses recoverable directly from the Funds include:

- commissions/fees paid to brokers/dealers in effecting dealings in the investments of the Funds, shown on the contract notes or confirmation notes or difference accounts;
- (where the custodial function is delegated by the Trustees), charges/fees paid to the sub-custodian;
- tax and other duties charged on the Funds by the government and other authorities if any and bank fees;
- the fees and other expenses properly incurred by the auditor of the fund;
- remuneration and out of pocket expenses of the person(s) undertaking the oversight functions of the Fund or advisers (if any) of the Funds, unless we decide to bear the same;
- fees incurred for the fund valuation and accounting of the Fund performed by a fund valuation agent;
- costs incurred for the modification of the Deeds otherwise than those our benefit or the Trustees';
- costs incurred for any meeting of Unit holders other than those convened for our benefit or the Trustees';
- the sale, purchase, insurance, custody and any other dealings of investments including commissions/fees paid to brokers;
- costs involved with external specialists approved by the Trustees in investigating and evaluating any proposed investment;
- the engagement of valuers, advisers and contractors of all kinds;
- preparation and audit of the taxation returns and accounts of the Funds;
- termination of the Funds or Class and the retirement or removal of the Trustees or the Manager and the appointment of a new trustee or manager;
- any proceedings, arbitration or other dispute concerning the Funds or Class or any asset, including proceedings against us or the Trustees by the other of them for the benefit of the Funds or Class (except to the extent that legal costs incurred for the defense of either of them are not ordered by the court to be reimbursed out of the Funds);
- costs of obtaining experts opinion by us or the Trustees for the benefit of the Funds or Class; and
- all costs and/or expenses associated with the distributions declared pursuant to this Deed 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.

We and the Trustees are required to ensure that any fees or charges payable are reasonable and in accordance with the Deeds.

10.3. RETIREMENT, REMOVAL OR REPLACEMENT OF THE MANAGER

We must retire as the Manager when required to retire by law.

We may retire upon giving twelve (12) months notice to the Trustees of its desire to do so, or such lesser time as we and Trustees may agree, in favour of another corporation.

We shall retire under the following circumstances:

- if a Special Resolution is duly passed by the Unit holders that the Manager be removed; or
- if we cease to be approved by the SC to be the management company of the Funds.

We may be removed by the Trustees under certain circumstances outlined in the Deeds. These include:

- if we have gone into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustees) or cease to carry on business or if a receiver shall be appointed of the undertaking or assets of the Manager or if any encumbrances shall take possession of any of its assets; or
- if we cease to carry on business; or
- if the Trustees are of the opinion that we have, to the prejudice of the Unit holders, failed to comply with any provision or covenant under the Deeds or contravened any of the provisions of the CMSA; or
- if we have failed or neglected to carry out its duties to the satisfaction of the Trustees and the Trustees consider that it would be in the interests of the Unit holders for it to do so, after the Trustees have given notice to it of that opinion and the reasons for that opinion, and has considered any representations made by us in respect of that opinion, and after consultation with the SC and with the approval of the Unit holders.

In any of above said circumstances, we shall upon receipt of such notice by the Trustee cease to be the Manager and the Trustee shall by writing under its seal appoint another corporation to be the manager of the Fund subject to such corporation entering into a deed(s) with the Trustee and thereafter act as manager during the remaining period of the Fund.

We may be replaced by another corporation appointed as manager by Special Resolution of the Unit holders at a Unit holders' meeting convened in accordance with the Deeds either by the Trustees or the Unit holders.

10.4. RETIREMENT, REMOVAL OR REPLACEMENT OF THE TRUSTEES

We and the Trustees may agree, and may by the Deeds appoint in its stead a new trustee approved by the SC.

The Trustees must retire as trustees of the Funds when required to retire by law. The Trustees may retire by giving twelve (12) months' notice to us or any shorter notice we accept.

We may remove the Trustees and the Trustees covenant that it will retire or be removed from the Funds constituted by or pursuant to the Deeds if and when requested to do so by us if:

- the Trustees have gone into liquidation; or
- the Trustees are placed under receivership, ceases to exist, fails or neglects its duties; or
- the Trustees cease to be approved by the SC to be a trustee for unit trust schemes; or
- a Special Resolution is duly passed by the Unit holders that the Trustees be removed.

Additionally, we are legislatively empowered under Section 299 of the CMSA to remove the Trustees under specific circumstances set out therein.

The Trustees may be replaced by another corporation appointed as trustee by a Special Resolution of the Unit holders at a Unit holders' meeting convened in accordance with the Deeds either by us or the Unit holders.

10.5. TERMINATION OF THE FUNDS OR CLASS(ES)

The Funds or any of the Class(es) may be terminated or wound-up upon the occurrence of any of the following events:

- (a) the SC's authorization is withdrawn under Section 256E of the CMSA;
- (b) a Special Resolution is passed at a Unit holders' meeting to terminate or wind-up the Funds or the relevant Class, following the occurrence of events stipulated under Section 301(1) of the Act and the court has confirmed the resolution, as required under Section 301(3) of the CMSA;
- (c) a Special Resolution is passed at a Unit holders' meeting to terminate or wind-up the Funds or the relevant Class;
- (d) the Fund(s) or the Class has reached the maturity date; or
- (e) the effective date of an approved transfer scheme, as defined under the GUTF, has resulted in the Funds, which is the subject of the transfer scheme, being left with no asset/property.

A Class may be terminated 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.

Notwithstanding the above, the Fund and/or any of the Class may be terminated or wound-up, without the need to seek Unit Holders' prior approval, as proposed by the Manager with the consent of the Trustee (which consent shall not be unreasonably withheld) upon the occurrence of any of the following events, by giving a notice in writing to the Unit Holders of such period not less than that specified in the GUTF as hereinafter provided (i) if any law shall be passed which renders it illegal or (ii) if in the reasonable opinion of that Manager it is impracticable or inadvisable to continue the Fund and/or the Class, and in any case the termination of the Fund and/or Class is in the best interest of the Unit Holders.

10.6. MEETINGS OF UNIT HOLDERS

A Unit holders' meeting may be called by us, the Trustees and/or the Unit holders.

Where we or the Trustees convenes a meeting, the notice of the time and place of the meeting and terms of resolution to be proposed shall be given to the Unit holders by sending by post a notice of the proposed meeting at least fourteen (14) days before the date of the proposed meeting, to each Unit holder at the Unit holder's last known address or, in the case of joint Unit holders, to the joint Unit holder whose name stands first in our records at the joint Unit holder's last known address.

We shall within twenty-one (21) days after an application is delivered to us at our registered office, being an application by not less than fifty (50), or one-tenth (1/10) in number, whichever is less, of the Unit holders to which the Deeds relate, summon a meeting of the Unit holders:

- by sending a notice by post of the proposed meeting at least seven (7) days before the date of the proposed meeting to each of those Unit holders at/her his last known address or in the case of joint Unit holder, to the joint Unit holder whose name stands first in our record at the joint Unit holder's last known address; and
- by publishing at least fourteen (14) days before the date of the proposed meeting, an advertisement giving notice of the meeting in a national language national daily newspaper and in one other newspaper as may be approved by the SC,

for the purpose of considering the most recent financial statements of the Funds or relevant Class, or for the purpose of requiring the retirement or removal of the Manager or the Trustees, or for the purpose of giving to the Trustees such directions as the meeting thinks proper, or for the purpose of considering any other matter in relation to the Deeds.

The quorum for a meeting of Unit holders of the Fund or Class is five (5) Unit holders of the Fund (irrespective of the Class) or Class present in person or by proxy, provided that for a meeting which requires a Special Resolution the quorum for that meeting shall be five (5) Unit holders, whether present in person or by proxy, holding in aggregate at least twenty-five per centum (25%) of the units in issue for the Fund (irrespective of the Class) or Class at the time of the meeting. If the Fund (irrespective of the Class) or Class has five (5) or less Unit holders, the quorum required shall be two (2) Unit holders of the Fund (irrespective of the Class) or Class, as the case may be,, whether present in person or by proxy and if the meeting requires a Special Resolution the quorum for that meeting shall be two (2) Unit holders, whether present in person or by proxy, holding in aggregate at least twenty-five per centum (25%) of the units in issue for the Fund (irrespective of the Class) or Class at the time of the meeting. For the avoidance of doubt, the same quorum requirements shall apply to a meeting of Unit Holders of a particular Class. Where a Fund or Class has only one (1) remaining Unit Holder, such Unit Holder, whether present in person or by proxy, at the meeting shall constitute a quorum.

Voting is by a show of hands, unless a poll is duly demanded or the resolution proposed is required by the Deeds or by law to be decided by a percentage of all units. Each Unit holder of the Fund or of the Class present in person or by proxy has one (1) vote on a show of hands (irrespective of the Class). On a poll of a meeting of the Fund, the votes of each Unit Holder of the Fund, present in person or by proxy, shall be proportionate to the value of Unit held in the base currency as provided in the Deed. In the case of a Class meeting, on a poll, each Unit holder of that Class present in person or by proxy has one (1) vote for each whole fully paid unit held in that Class. In the case of joint Unit holders, only the person whose name appears first in the register may vote. Units held by the Manager or its nominees shall have no voting rights in any Unit holders' meeting of the Fund. In respect of the termination or winding-up of the Fund of that Class, voting shall only be carried out by poll.

Nothing herein shall preclude us from convening any Unit Holders' meeting at more than one venue using any communication facility or technology or method available as we shall determine to enable the Unit Holders to participate and to exercise their right to speak and vote at that meeting. Where such meeting is convened, any reference to a Unit Holder being "present in person" in the Deed, meetings or resolutions shall include, where permitted by us, to that Unit Holder being present either remotely or virtually and for the avoidance of doubt it is hereby agreed that the participation by a Unit Holder in such meeting using the prescribed communication facility or technology or method shall be deemed as being present at that meeting notwithstanding that the Unit Holder is not physically present at the main venue of that meeting.

11. TAXATION REPORT

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The Board of Directors
Principal Asset Management Berhad
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30 April 2023

Dear Sirs

Taxation of the unit trust fund and unit holders

This letter has been prepared for inclusion in this Replacement Master Prospectus Issue No. 24 in connection with the offer of units in the unit trust fund managed by Principal Asset Management Berhad as listed in Attachment 1 (hereinafter referred to as “the Funds”).

The purpose of this letter is to provide prospective unit holders with an overview of the impact of taxation on the Funds and the unit holders.

Taxation of the Funds

The taxation of the Funds is subject to the provisions of the Malaysian Income Tax Act 1967 (MITA), particularly Sections 61 and 63B.

Subject to certain exemptions, the income of the Funds comprising profits and other investment income derived from or accruing in Malaysia after deducting tax allowable expenses, is subject to Malaysian income tax at the rate of 24% with effect from the year of assessment 2016.

Tax allowable expenses would comprise expenses falling under Section 33(1) and Section 63B of the MITA. Section 33(1) permits a deduction for expenses that are wholly and exclusively incurred in the production of gross income. In addition, Section 63B allows unit trusts a deduction for a portion of other expenses (referred to as ‘permitted expenses’) not directly related to the production of income, as explained below.

“Permitted expenses” refer to the following expenses incurred by the Funds which are not deductible under Section 33(1) of the MITA:

- the manager’s remuneration,
- maintenance of the register of unit holders,
- share registration expenses,
- secretarial, audit and accounting fees, telephone charges, printing and stationery costs and postage.

These expenses are given a partial deduction under Section 63B of the MITA, based on the following formula:

$$A \times \frac{B}{4C}$$

- where
- | | |
|---|---|
| A | is the total of the permitted expenses incurred for that basis period; |
| B | is gross income consisting of dividend ¹ , interest and rent chargeable to tax for that basis period; and |
| C | is the aggregate of the gross income consisting of dividend ¹ and interest (whether such dividend or interest is exempt or not) and rent, and gains made from the realisation of investments (whether chargeable to tax or not) for that basis period, |

¹ Pursuant to Section 15 of the Finance Act 2011, with effect from the year of assessment 2011, dividend income is deemed to include income distributed by a unit trust which includes distributions from Real Estate Investment Trusts.

provided that the amount of deduction to be made shall not be less than 10% of the total permitted expenses incurred for that basis period.

Exempt income

The following income of the Funds is exempt from income tax:

- **Malaysian sourced dividends**

All Malaysian-sourced dividends should be exempt from income tax.

- **Malaysian sourced interest**

- (i) interest from securities or bonds issued or guaranteed by the Government of Malaysia;
- (ii) interest from debentures or *sukuk*, other than convertible loan stock, approved or authorized by, or lodged with, the Securities Commission;
- (iii) interest from Bon Simpanan Malaysia issued by Bank Negara Malaysia;
- (iv) interest derived from Malaysia and paid or credited by banks licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013²;
- (v) interest derived from Malaysia and paid or credited by any development financial institution prescribed under the Development Financial Institutions Act 2002²;
- (vi) interest from *sukuk* originating from Malaysia, other than convertible loan stock, issued in any currency other than Ringgit and approved or authorized by, or lodged with, the Securities Commission or approved by the Labuan Financial Services Authority (LFSA)³; and
- (vii) interest which is specifically exempted by way of statutory orders or any other specific exemption provided by the Minister.

- **Discount**

Tax exemption is given on discount paid or credited to any unit trust in respect of investments as specified in items (i), (ii) and (iii) above.

Foreign sourced income

Pursuant to the Finance Act 2021, income derived by a resident person from sources outside Malaysia and received in Malaysia from 1 January 2022 will no longer be exempt from tax.

The Guidelines issued by the Malaysian Inland Revenue Board on 29 September 2022 (amended on 29 December 2022) define the term “received in Malaysia” to mean transferred or brought into Malaysia, either by way of cash⁴ or electronic funds transfer⁵.

Foreign-sourced income (FSI) received in Malaysia during the transitional period from 1 January 2022 to 30 June 2022 will be taxed at 3% of gross. From 1 July 2022 onwards, FSI received in Malaysia will be taxed at the prevailing tax rate(s) of the taxpayer and based on applicable tax rules. Bilateral or unilateral tax credits may be allowed if the same income has suffered foreign tax, and where relevant conditions are met.

Income Tax (Exemption) (No. 6) Order 2022 has been issued to exempt a “qualifying person”⁶ from the payment of income tax in respect of dividend income which is received in Malaysia from outside Malaysia, effective from 1 January 2022 to 31 December 2026. The exemption will however not apply to a person carrying on the business of banking, insurance or sea or air transport. As the definition of “qualifying person” does not include unit trust funds, it would mean that resident unit trust funds would technically not qualify for the exemption, unless there are further updates thereto.

Gains from the realisation of investments

Pursuant to Section 61(1)(b) of the MITA, gains from the realisation of investments will not be treated as income of the Funds and hence, are not subject to income tax. Such gains may be subject to real property gains tax (RPGT) under the Real Property Gains Tax Act 1976 (RPGT Act), if the gains are derived from the disposal of chargeable assets, as defined in the RPGT Act.

² Effective from 1 January 2019, the income tax exemption for a unit trust fund, pursuant to Paragraph 35A, Schedule 6 of the MITA shall not apply to a wholesale fund which is a money market fund.

³ Effective from the year of assessment 2017, the exemption shall not apply to interest paid or credited to a company in the same group or interest paid or credited to a bank licensed under the Financial Services Act 2013 or the Islamic Financial Services Act 2013; or a development financial institution prescribed under the Development Financial Institutions Act 2002.

⁴ “Cash” in this context is defined as banknotes, coins and cheques.

⁵ “Electronic funds transfer” means bank transfers (e.g., credit or debit transfers), payment cards (debit card, credit card and charge card), electronic money, privately-issued digital assets (e.g., crypto-assets, stablecoins) and central bank digital currency.

⁶ “Qualifying person” in this context means a person resident in Malaysia who is:

- (a) An individual who has dividend income received in Malaysia from outside Malaysia in relation to a partnership business in Malaysia;
- (b) A limited liability partnership which is registered under the Limited Liability Partnerships Act 2012; or
- (c) A company which is incorporated or registered under the Companies Act 2016.

Implementation of Sales and Service Tax (“SST”)

Sales and Service Tax (“SST”) was re-introduced effective 1 September 2018. Sales Tax of 10% (most common rate) or 5% is charged by Malaysian manufacturers of taxable goods or upon importation into Malaysia of such taxable goods, unless specifically exempted under the Sales Tax (Goods Exempted From Tax) Order 2018. Service Tax at the rate of 6% is charged on certain prescribed taxable services performed by taxable persons as stipulated under Service Tax Regulations 2018. The input tax recovery mechanism under the previous GST regime does not apply to SST. Therefore, any SST incurred is not recoverable and will form a cost element for businesses.

Based on the Service Tax Regulations 2018, a unit trust fund is neither regarded as a taxable person nor as providing taxable services and is therefore not liable for SST registration. Where the Funds incurs expenses such as management fees, the management services provided by asset and fund managers who are licensed or registered with Securities Commission Malaysia for carrying out the regulated activity of fund management under the Capital Markets and Services Act 2007, are specifically excluded from the scope of Service Tax. As for other fees, such as trustee fees and other administrative charges, these may be subject to 6% service tax provided they fall within the scope of service tax (i.e. are provided by a “taxable person”, who exceeds the required annual threshold (in most cases RM 500,000 per annum) and the services qualify as “taxable services”).

Taxation of unit holders

For Malaysian income tax purposes, unit holders will be taxed on their share of the distributions received from the Funds.

The income of unit holders from their investment in the Funds broadly falls under the following categories:

1. taxable distributions; and
2. non-taxable and exempt distributions.

In addition, unit holders may also realise a gain from the sale of units.

The tax implications of each of the above categories are explained below:

1. Taxable distributions

Distributions received from the Funds will have to be grossed up to take into account the underlying tax paid by the Funds and the unit holder will be taxed on the grossed up amount.

Such distributions carry a tax credit, which will be available for set-off against any Malaysian income tax payable by the unit holder. Should the tax deducted at source exceed the tax liability of the unit holder, the excess is refundable to the unit holder.

Please refer to the paragraph below for the income tax rates applicable to the grossed up distributions.

2. Non-taxable and exempt distributions

Tax exempt distributions made out of gains from the realisation of investments and exempt income earned by the Funds will not be subject to Malaysian income tax in the hands of the unit holders.

A retail money market fund is exempted from tax on its interest income derived from Malaysia, pursuant to Paragraph 35A of Schedule 6 of the ITA. Pursuant to the Finance Act 2021, with effect from 1 January 2022, distributions by a retail money market fund from such tax exempt interest income, to a unit holder other than an individual, will no longer be exempt from tax. The distribution to unit holders other than individuals will be subject to withholding tax at 24%. This would be a final tax for non-residents. Malaysian residents are required to include the distributions in their tax returns and claim a credit in respect of the withholding tax suffered. Individuals will continue to be exempt from tax on such distributions.

Rates of tax

The Malaysian income tax chargeable on the unit holders would depend on their tax residence status and whether they are individuals, corporations or trust bodies. The relevant income tax rates are as follows:

Unit holders	Malaysian income tax rates
Malaysian tax resident: • Individual and non-corporate unit holders (such as associations and societies)	• Progressive tax rates ranging from 0% to 30%

Unit holders	Malaysian income tax rates
- Co-operatives⁷ - Trust bodies - Corporate unit holders (i) A company with paid up capital in respect of ordinary shares of not more than RM2.5 million (at the beginning of the basis period for the year of assessment) and gross income from a source or sources consisting of a business not exceeding RM50 million for the basis period for the year of assessment^{8 9} (ii) Companies other than (i) above	- Progressive tax rates ranging from 0% to 24% 24% - First RM600,000 of chargeable income @ 17%¹⁰ - Chargeable income in excess of RM600,000 @ 24% 24%
Non-Malaysian tax resident (Note 1):	
- Individual and non-corporate unit holders - Corporate unit holders and trust bodies	30% 24%

Note 1:

Non-resident unit holders may be subject to tax in their respective countries depending on the provisions of the tax legislation in the respective countries and any existing double taxation arrangements with Malaysia.

Gains from sale of units

Gains arising from the realisation of investments will generally not be subject to income tax in the hands of unit holders unless they are insurance companies, financial institutions or traders / dealers in securities.

Unit splits and reinvestment of distributions

Unit holders may also receive new units as a result of unit splits or may choose to reinvest their distributions. The income tax implications of these are as follows:

- Unit splits – new units issued by the Fund pursuant to a unit split will not be subject to income tax in the hands of the unit holders.

⁷ Pursuant to Paragraph 12(1), Schedule 6 of the MITA, the income of any co-operative society—

- in respect of a period of five years commencing from the date of registration of such co-operative society; and
- thereafter where the members' funds [as defined in Paragraph 12(2)] of such co-operative society as at the first day of the basis period for the year of assessment is less than seven hundred and fifty thousand ringgit, is exempt from tax.

⁸ A company would not be eligible for the 17% tax rate on the first RM600,000 of chargeable income if:-

- more than 50% of the paid up capital in respect of the ordinary shares of the company is directly or indirectly owned by a related company which has paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;
- the company owns directly or indirectly more than 50% of the paid up capital in respect of the ordinary shares of a related company which has paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment;
- more than 50% of the paid up capital in respect of the ordinary shares of the company and a related company which has a paid up capital in respect of ordinary shares of more than RM2.5 million at the beginning of a basis period for a year of assessment is directly or indirectly owned by another company.
- Based on the Finance Bill 2023, it has been proposed that with effect from the year of assessment 2024, an additional condition will be imposed such that not more than 20% of the paid-up capital in respect of the ordinary shares of the company at the beginning of a basis period for a year of assessment can be directly or indirectly owned by one or more companies incorporated outside Malaysia or by individuals who are not citizens of Malaysia, to qualify for the concessionary tax rates.

⁹ The above excludes a business trust and a company which is established for the issuance of asset-backed securities in a securitization transaction approved by the Securities Commission.

¹⁰ Based on the Finance Bill 2023, it has been proposed that the concessionary tax rate be reduced from 17% to 15% for the first RM150,000 of chargeable income with effect from the year of assessment 2023.

- Reinvestment of distributions – unit holders may choose to reinvest their income distribution in new units by informing the Manager. In this event, the unit holder will be deemed to have received the distribution and reinvested it with the Funds.

We hereby confirm that, as at the date of this letter, the statements made in this letter correctly reflect our understanding of the tax position under current Malaysian tax legislation and the related interpretation and practice thereof, all of which are subject to change, possibly on a retrospective basis. We have not been retained (unless specifically instructed hereafter), nor are we obligated to monitor or update the statements for future conditions that may affect these statements.

The statements made in this letter are not intended to be a complete analysis of the tax consequences relating to an investor in the Funds. As the particular circumstances of each investor may differ, we recommend that investors obtain independent advice on the tax issues associated with an investment in the Funds.

Yours faithfully

Ernst & Young Tax Consultants Sdn Bhd

Bernard Yap
Partner

Ernst & Young Tax Consultants Sdn Bhd has given its consent to the inclusion of the Taxation Adviser's Letter in the form and context in which it appears in this Replacement Master Prospectus Issue No. 24 and has not withdrawn such consent before the date of issue of this Replacement Master Prospectus Issue No.24.

No.	Name of Fund
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<u>Equity Funds</u>	
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- | | |
|----|--|
| 1. | Principal Malaysia Titans Fund |
| 2. | Principal Malaysia Enhanced Opportunities Fund |
| 3. | Principal Malaysia Opportunities Fund |
| 4. | Principal Titans Growth & Income Fund |
| 5. | Principal Titans Income Plus Fund |
| 6. | Principal Small Cap Opportunities Fund |
| 7. | Principal KLCI-Linked Fund |

<u>Mixed Asset Funds</u>	
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- | | |
|-----|---|
| 8. | Principal Lifetime Balanced Fund |
| 9. | Principal Lifetime Balanced Income Fund |
| 10. | Principal Dynamic Enhanced Malaysia Income Fund |

<u>Fixed Income Funds</u>	
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- | | |
|-----|---------------------------------------|
| 11. | Principal Lifetime Bond Fund |
| 12. | Principal Lifetime Enhanced Bond Fund |

<u>Regional & Global Funds</u>	
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- | | |
|-----|--|
| 13. | Principal Asia Titans Fund |
| 14. | Principal China-India-Indonesia Opportunities Fund |
| 15. | Principal Greater Bay Fund |
| 16. | Principal Asia Dynamic Bond Fund |
| 17. | Principal China Direct Opportunities Fund |
| 18. | Principal US High Conviction Equity Fund |
| 19. | Principal Asia Pacific Renewables Fund |

12. DISTRIBUTORS OF THE FUNDS

As at LPD, the Funds are available from (but not limited to) the following:

12.1. OUR BRANCHES

Main Branch
Northern Branch
Southern Branch
Sarawak Branch
Sabah Branch
Melaka Branch
Kuantan Branch
Kota Bharu Branch

For information and updates on our branches, please contact our Customer Care Centre under the “Corporate Directory” section during business hour between 8:45 a.m. and 5:45 p.m. (Malaysian time) from Mondays to Fridays or refer to our website at www.principal.com.my.

12.2. PRINCIPAL DISTRIBUTORS

Nsg Wealth Advisors

No 8 Jalan BM 7/19
Seksyen 7
Bandar Bukit Mahkota
Kajang 43000 Selangor
Tel: (603) 8920 8277

Platinum

E5-03 Empire Damansara
Jalan PJU 8/8
Damansara Perdana
47820 Petaling Jaya
Tel: (603) 7843 0506

Dynamics Wealth Advisors

(formerly known as Star Pesona Advisors)
(secondly known as Professional 5 star wealth advisors)
Unit B-3A-1 Setiawangsa Business Suites
Jalan Setiawangsa 11
Taman Setiawangsa
54200 Kuala Lumpur
Tel: (603) 4256 6277

Megas

2-6A Jalan PJU 8/3A
Bandar Damansara Perdana
47820 Petaling Jaya
Selangor
Tel: (603) 7725 6320

Amg Synergy Multiresources Sdn Bhd

3rd Floor
No 45 Jalan Teluk Sisek
25000 Kuantan Pahang
Tel: (609) 5161 430

Charisma Legacy

B-1-22 & B-2-22 & B-2-21
Block B 10 Boulevard
Jalan Cempaka Sungai Kayu Ara
47400 Petaling Jaya
Selangor
Tel: (603) 7722 3895

AAAAA Wealth Builders

(formerly known as O-tye Group Consultants)
Lot C-615 & Lot C-616
Level 6 Block C Kelana Square
17 Jalan SS7/26
Kelana Jaya
47301 Petaling Jaya Selangor
Tel: (603)-7880 6893

My Financial Freedom Advisors

(formerly known as M\$G Prominent Consultants)
No.3A, Jalan Hentian 3
Pusat Hentian Kajang
43000 Kajang
Selangor
Tel: (603) 8741 4382

Preferred Wealth Advisors

(formerly known as Titan Empire)
No 12-01 D'bayu Business Center
Jalan Serambi U8/24
Bukit Jelutong
40150 Shah Alam
Selangor
Tel: (603) 6142 8382

Otye Xcellence Consultants

Lot No 35-2 2nd Floor
Jalan Sepah Puteri 5/1B
Pusat Dagangan Seri Utama
PJU 5 Kota Damansara
47410 Selangor
Tel: (603) 6140 3046

Elite Group Consultants

No 6-2 Jalan Dagang 1/1A
Taman Dagang
68000 Ampang
Selangor
Tel: (603) 4251 1129

Success Concepts Life Planners

J-06-01 Level 6 Block J
Solaris Mont' Kiara
Jalan Solaris
50480 Kuala Lumpur
Tel: (603) 6204 0113

Aces Advisors

Unit D5-6 Ritze Perdana 1
Jalan PJU 8/2
Damansara Perdana
47820 Petaling Jaya, Selangor
Tel: (6016) 2292 342

GVG Solution Agency

No 12-01 Jalan Setia Tropika 1/29
Taman Setia Tropika
Johor Bahru
81200 Johor
Tel: (607) 2326 976

Tremendous Wealth Advisors

No 11 Level 2
Jalan Pelabur B 23/B
Section 23
40300 Shah Alam
Selangor Darul Ehsan
Tel: (603) 5480 0296

Soha Barakah Wealth Consultancy

No 55-2, 57-2, 59-2
Jalan Tu 49A Taman Tasik Utama
Ayer Keroh
75450 Melaka
Tel: (606) 2533 289

Evoque Wealth Advisors

2nd Floor No 32A-2 Jalan PJU 5/20d The Strand
Pusat Perdagangan Kota Damansara
Kota Damansara PJU 5
47810 Petaling Jaya
Selangor
Tel: (603) 6151 9512

Victorious Agency

33-01 Jalan Tampoi Susur 1
81200 Johor Bahru
Johor
Tel: (6011) 1211 840

KPG Elite Billionaire

No 15-1 Jalan Adenium 2g/9
Adenium Business Centre
48300 Bukit Beruntung
Rawang Selangor
Tel: (603) 6021 7188

Prestige Wealth Advisors

I-91-2 Block I
Jalan Teknologi 3/9
Kota Damansara
47810 Petaling Jaya
Selangor
Tel: (603) 6140 7275

Magnificent Champion Agency Office

47A, Tingkat 1
Jalan Badminton 13/29
Seksyen 13, Shah Alam
40100 Selangor
Tel: (603) 5523 2693

Premier Wealth Advisors

No 18-1 S2 B18
Biz Avenue Seremban 2
70300 Seremban
Negeri Sembilan
Tel: (606) 6015 749

My IFP Kemaman

PT 10725, Ground Floor
Jalan Kubang Kurus
Taman Cukai Utama Fasa 4
24000 Kemaman
Terengganu
Tel: (609) 8589 911

Wealth Resources Group Advisors

No 41B 3B Curve Business Park
Medan Pusat Bandar 2D Seksyen 9
43650 Bandar Baru Bangi
Selangor
Tel: (603) 8926 4155

GVG Pasir Gudang Solution

No 38-01 Jalan Serangkai 18
Taman Bukit Dahlia
81700 Pasir Gudang
Johor
Tel: (6012) 7076 107

Premierone Wealth

No 527-1 Jalan Pusat Bandar Senawang
Pusat Bandar Senawang
70450 Senawang
Negeri Sembilan
Tel: (606) 6718 253

Charisma Legacy 1

B-3-21 Block Bougainvillea
10 Boulevard Lebuhraya Sprint PJU 6A
47400 Petaling Jaya
Selangor
Tel: (603) 7733 5009

Nrich Wealth Advisory Group

ZP-02-12 Zest Point
Lebuhraya Bukit Jalil
Bandar Kinrara
47180 Puchong
Selangor
Tel: (603) 8074 8485

Charisma Legacy 3

B-3-17 Blok Bouganvilla 10 Boulevard
 Lebuhraya Sprint Pju 6A Kayu Ara
 Damansara Jaya
 47400 Petaling Jaya
 Selangor
 Tel: (603) 7733 4211

Charisma Legacy Kota Bharu

PT1671 & 1672 Tingkat 2
 Jalan Raja Perempuan Zainab 2
 Kubang Kerian
 16150 Kota Bharu
 Kelantan
 Tel: (6016) 2236 343

Zenith Premier Wealth Advisors

No 98 Second Floor
 Jalan Legenda 1
 Legenda Heights
 08000 Sungai Petani
 Kedah
 Tel: (604) 4246 042

Millionaire Empire Group

18-2, Jalan Usahawan 7,
 Off Jalan Kilang,
 53300 Setapak,
 Kuala Lumpur
 Tel: (603) 4141 6644

Synergy Wealth Entrepreneur

98-2 Jalan Dwitasik
 Dataran Dwitasik
 Bandar Sri Permaisuri
 Cheras
 56000 Kuala Lumpur
 Tel: (603) 9226 5344

NZ Group

PT 650 1st & 2nd Floor
 Jalan Sri Cemerlang
 Seksyen 27
 15300 Kota Bharu
 Kelantan
 Tel: (609) 7476 932

SA@7

No. 35b-2 (2nd Floor)
 Jalan Keluli Am 7/Am
 Pusat Perniagaan Bukit Raja
 40000 Seksyen 7, Shah Alam
 Selangor
 Tel: (603) 33414978

Finaims

Suite 3a Level 4 Starling Mall
 Damansara Uptown
 47400 Petaling Jaya
 Selangor
 Tel: (6013) 3257 653

12.3. IUTAs**CIMB Bank Berhad**

CIMB Investment Bank Berhad – Retail Equities

CIMB Private Banking

Alliance Bank Malaysia Berhad

AmBank (M) Berhad

AmInvestment Bank Berhad

Citibank Berhad

Hong Leong Bank Berhad

HSBC Bank Malaysia Berhad

IFAST Capital Sdn. Bhd.

Kenanga Investment Bank Berhad

OCBC Bank (Malaysia) Berhad

Phillip Mutual Berhad

RHB Bank Berhad

Standard Chartered Bank Malaysia Berhad

United Overseas Bank (Malaysia) Bhd

Note: We have the discretion in determining the Distributors of the Classes of the Funds, including its appointment and/or termination from time to time. For updated information on the Distributors of the Funds, please contact our **Customer Care Centre** under the “Corporate Directory” section during business hour between 8:45 a.m. and 5:45 p.m. (Malaysian time) from Mondays to Fridays or refer to our website at www.principal.com.my.

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

Enquiries:

Customer Care Centre **+603 7723 7260**

Email **service@principal.com.my**

Website **www.principal.com.my**