Prospectus
28 April 2025

Principal Global Technology Fund

Manager	:	**Principal Asset Management Berhad** (199401018399 (304078-K))
Trustee	:	**HSBC (Malaysia) Trustee Berhad** (193701000084 (1281-T))

THIS PROSPECTUS IS ISSUED TO REPLACE AND/OR SUPERSEDE THE INFORMATION MEMORANDUM ISSUE NO. 2 OF THE PRINCIPAL GLOBAL TECHNOLOGY FUND DATED 31 DECEMBER 2019, THE FIRST SUPPLEMENTAL INFORMATION MEMORANDUM DATED 26 FEBRUARY 2024 AND THE SECOND SUPPLEMENTAL INFORMATION MEMORANDUM DATED 18 NOVEMBER 2024.

This Prospectus Issue No. 1 for the Principal Global Technology Fund is dated 28 April 2025.

This Fund was constituted on 8 May 2018.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS 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 3.

THIS FUND IS A MULTI-CLASS FUND AND IS ALLOWED TO ESTABLISH NEW CLASS(ES) FROM TIME TO TIME AS MAY BE DETERMINED BY THE MANAGER.

In alliance with CIMB

ABOUT THIS DOCUMENT

This is a Prospectus which introduces you to Principal Malaysia and the Fund. This Prospectus outlines in general the information you need to know to make an informed decision as to whether the Fund best suits your financial needs.

If you have any questions about the information in this 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 Prospectus to any rules, regulations, guidelines, standards, directives, notices, legislations or statutes shall be reference to those rules, regulations, guidelines, standards, directives, notices, legislations or statutes for the time being in force, as may be amended, varied, modified, updated, superseded and/or re-enacted from time to time.

Any reference to a time, day or date in this Prospectus shall be a reference to that time, day or date in Malaysia, unless otherwise stated. Reference to "days" in this 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 Prospectus are in USD unless otherwise indicated.

PROSPECTUS DETAILS

Issue No.	**1**
Prospectus Date	**28 April 2025**

RESPONSIBILITY STATEMENTS

This 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 Prospectus false or misleading.

STATEMENTS OF DISCLAIMER

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

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

The Securities Commission Malaysia is not liable for any non-disclosure on the part of the Manager who is responsible for the Fund and takes no responsibility for the contents in this Prospectus. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this 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 Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the Prospectus or the conduct of any other person in relation to the Fund.

INVESTORS SHOULD BE AWARE THAT THE CAPITAL OF THE FUND WILL BE ERODED WHEN THE FUND 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 Prospectus:

Application Fee	-	Preliminary charge on each investment.
AUD	-	Australian Dollar.
Bloomberg	-	Bloomberg LP.
BNM	-	Bank Negara Malaysia.
Business Day	-	Mondays to Fridays when Bursa Malaysia Securities Berhad is open for trading, and banks in Kuala Lumpur and/or Selangor are open for business. In respect of the Target Fund, it means a day on which the stock exchange in New York is open for business. ***Note:*** *We may declare certain Business Days to be a non-Business Day if the jurisdiction of the Target Fund declares a non-business day and/or if the Target Fund's manager declares a non-dealing day. This information will be communicated to you via Principal Malaysia's website at* ***www.principal.com.my****.*
CIMB Group	-	CIMB Group Sdn. Bhd.
CIS	-	Collective investment schemes.
Class	-	Any class of units representing similar interest in the assets of the Fund.
Class AUD-Hedged	-	The Class of units issued by the Fund denominated in AUD that aims to minimize the effect of exchange rate fluctuations between the base currency of the Fund (i.e. USD) and AUD.
Class GBP-Hedged	-	The Class of units issued by the Fund denominated in GBP that aims to minimize the effect of exchange rate fluctuations between the base currency of the Fund (i.e. USD) and GBP.
Class MYR-Hedged	-	The Class of units issued by the Fund denominated in MYR that aims to minimize the effect of exchange rate fluctuations between the base currency of the Fund (i.e. USD) and MYR.
Class SGD-Hedged	-	The Class of units issued by the Fund denominated in SGD that aims to minimize the effect of exchange rate fluctuations between the base currency of the Fund (i.e. USD) and SGD.
Class USD	-	The Class of units issued by the Fund denominated in USD.
CMSA	-	Capital Markets and Services Act 2007.
Company	-	Franklin Templeton Investment Funds.
Deed	-	The principal deed and all supplemental deed in respect of the Fund made between us and the Trustee, in which Unit holders agree to be bound by the provisions of the Deed.
Deposit		As per the definition of "deposit" in the Financial Services Act 2013.
Distributor	-	Any relevant persons and bodies appointed by Principal Malaysia from time to time, who are responsible for selling units of the Fund, including Principal Distributors and IUTA.
Eligible Market	-	Means an exchange, government securities market or an OTC 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.
Fund or GTECH	-	Principal Global Technology Fund.
GBP	-	Great Britain Pound.
GUTF	-	Guidelines on Unit Trust Funds issued by the SC.
HSBC Group	-	HSBC Holdings plc, its subsidiaries, related bodies corporate, associated entities and undertakings and any of their branches.
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.
KIID	-	Key Investor Information Document.
LPD	-	Latest Practicable Date i.e. 31 January 2025, in which all information provided herein, shall remain current and relevant as at such date.
Management Company	-	Franklin Templeton International Services S.à r.l.
Management Fee	-	A percentage of the NAV of the Class that is paid to us for managing the portfolio of the Fund.
MCR	-	Multi-class ratio, being the apportionment of the NAV of each Class over the Fund's NAV based on the size of each Class. The MCR is calculated by dividing the NAV of the respective Class by the NAV of the Fund before income and expenses for the day. The

		apportionment is expressed as a ratio and calculated as a percentage.
MYR	-	Malaysian Ringgit.
NAV	-	Net Asset Value.
NAV of the Class	-	The NAV of 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 divided by the number of units in circulation for that Class, at the valuation point.
OTC	-	Over-the-counter.
PFG	-	Principal Financial Group, Inc.
Principal Distributors	-	Refers to the authorised unit trust scheme consultants registered with Principal Malaysia.
Principal Malaysia or the Manager	-	Principal Asset Management Berhad.
Prospectus	-	Refers to the document issued by us describing the details of the Fund and includes any supplemental prospectus or replacement prospectus, as the case may be.
RSP	-	Regular Savings Plan.
SC	-	Securities Commission Malaysia.
SGD	-	Singapore Dollar.
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.
Target Fund	-	The collective investment scheme that the Fund invests predominantly in. Currently, it refers to Franklin Technology Fund, a sub-fund of Franklin Templeton Investment Funds.
Target Fund Investment Manager	-	Franklin Advisers, Inc.
Target Fund Prospectus	-	Refers to the prospectus in respect of the Target Fund and includes any supplemental prospectus, addendum or replacement prospectus, as the case may be. The Target Fund Prospectus is available for download at www.franklintempleton.lu
Trustee	-	HSBC (Malaysia) Trustee Berhad.
Trustee Fee	-	A percentage of the NAV of the Fund that is paid to the Trustee for its services rendered as trustee for the Fund.
UK	-	United Kingdom.
Unit holder	-	The registered holder for the time being of a unit of the Fund including persons jointly so registered.
USA	-	United States of America.
USD	-	United States Dollar.
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/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

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

Website
www.hsbc.com.my

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

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

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1. FUND INFORMATION

1.1. PRINCIPAL GLOBAL TECHNOLOGY FUND

Fund Category/Type	:	Feeder fund / Growth
Fund Objective	:	The Fund aims to provide capital appreciation through investments in one collective investment scheme, which invests primarily in a diversified portfolio of technology related companies. We will require your approval if there is any material change to the Fund's investment objective.
Benchmark	:	The Fund adheres to the benchmark of the Target Fund for performance comparison. The benchmark of the Target Fund is the MSCI World Information Technology Index, which may be found on KIID of the Target Fund and available on **www.ftidocuments.com**. *Note: Any changes to the Target Fund's benchmark will be updated in our website and/or the Fund's Product Highlights Sheet.*
Distribution Policy	:	The distribution policy of each of the Class may differ. Please refer to the Annexure of the respective Class for more information. You may also refer to page 38 for information on the distribution payment.

Base Currency & Classes

The base currency of the Fund is USD.

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

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

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

Name of Class	Launch date
Class USD	17 May 2018
Class AUD-Hedged	17 May 2018
Class GBP-Hedged	17 May 2018
Class MYR-Hedged	17 May 2018
Class SGD-Hedged	17 May 2018

Prices of existing classes will be offered at the prevailing NAV per unit of the respective class which is available on our website at www.principal.com.my. 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.

Investment Policy and Strategy

The Fund is a feeder fund and it invests in a single CIS, i.e. Franklin Technology Fund. The Fund may also invest in liquid asset for liquidity purpose.

In order to achieve its investment objective, the Fund will invest at least 95% of its NAV in the Target Fund; a portfolio established on 4 March 2000 under the Franklin Templeton Investment Funds. The Fund will also maintain up to 5% of its NAV in liquid assets for liquidity purposes.

The Fund will be actively rebalanced from time to time to meet sales and withdrawals transactions. This is to enable a proper and efficient management of the Fund. As this is a feeder fund that invests predominantly in the Target Fund, we do not intend to take temporary defensive position for the Fund during adverse market, economic and/or any other conditions. This is to allow the

Fund to mirror the performance of the Target Fund in either bullish or bearish market conditions. However, the Target Fund Investment Manager may take temporary defensive position when deemed necessary.

We do not employ risk management strategy on the portfolio of the Target Fund. However, the Target Fund Management Company and/or the Target Fund Investment Manager will employ a risk management process in respect of the Target Fund that enables the Target Fund Management Company to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the Target Fund. Please refer to page 13 under the "Investment objective and investment strategies of the Target Fund" for more information.

We will employ risk management strategy at the Fund level, where we will continuously monitor the investment objective, performance and suitability of the Target Fund to ensure that it is in line with the investment objective of the Fund. If we are of the opinion that the Target Fund no longer meets the Fund's investment objective, we may, with your approval, replace the Target Fund with another CIS that is in line with the Fund's objective. In such circumstances, we will withdraw our investment in the Target Fund and invest in another CIS on a staggered basis for a smooth transition, if the Target Fund imposes any conditions in relation to redemption of units or if the manager of the newly identified target fund exercises its discretion to apply anti dilution levy* in relation to the applications for units. Thus, the time frame required to perform the transition will depend on such conditions, if any, imposed by the Target Fund as well as any conditions associated with a dilution adjustment that may be made by the newly identified target fund. Hence during the transition period, the Fund's investments may differ from the stipulated investment objective, investment strategies and/or investment restrictions and limits. The Fund also may, with the concurrence of the Trustee, hold more than 5% of liquid assets on a temporary basis to meet withdrawal requests and to manage expenses of the Fund.

Currently, the Fund invests in Class I (USD) of the Target Fund, which is an institutional share class denominated in USD launched on 27 May 2011. The Fund may change its entire investment into another class of the Target Fund (which must be denominated in the same currency) if we are of the opinion that the change is in the interest of the Unit holders. If we wish to effect such change, we will seek concurrence from the Trustee and you will be notified before implementation.

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 that we have put in place is as follows:

- Regular review by the designated fund manager on the Fund's investment portfolio to maintain healthy liquidity level.
- Periodic assessments are carried out on the Fund's liquidity profile (under both normal and stressed market conditions) and on the concentration of Unit holders. 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 Unit holders' withdrawal requests.
- If needed, the Fund may obtain cash financing for the purpose of meeting withdrawal requests and for short-term bridging requirements.
- Suspension of withdrawal requests due to exceptional circumstances. During the suspension period, withdrawal requests will not be accepted, and in the event we had earlier accepted the withdrawal requests prior to the suspension being 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 2.4, 2.5, 2.6 and 2.7 below for circumstances affecting redemption of units from the Target Fund

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

1.2. PERMITTED INVESTMENTS

Subject to the Deed, the investment policy for the Fund and the requirements of the SC and any other regulatory body, we have the absolute discretion as to how the assets of the Fund are to be invested. Under the Deed and provided always that there are no inconsistencies with the objective of the Fund, the Fund can invest in the following instruments:

- One CIS (local or foreign) provided it is not a Fund-of-Funds or a Feeder Fund or any sub-fund of an umbrella fund which is a Fund-of-Funds or a Feeder Fund;
- Deposits and money market instruments; and
- Derivative instruments, including but not limited to options, futures contracts, forward contracts and swaps for hedging purposes.

The formulation of the investment policies and strategies of the Fund is based on the objective of the Fund after taking into consideration the regulatory requirements outlined in the GUTF, with such exemptions or variations (if any) as permitted by the SC.

1.3. INVESTMENT RESTRICTIONS AND LIMITS

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

CIS: The Fund must invest at least 95% of its NAV in one (1) CIS provided that the CIS complies within the categories stipulated in the GUTF.

Liquid Assets and Derivatives: The Fund may invest up to 5% of the NAV in the following permitted investments:

- Deposits
  Placement in short-term Deposits.

- Money market instruments
  Money market instruments that are dealt in or under the rules of an Eligible Market, and whose residual maturity does not exceed 12 months. 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.

- Derivatives (for hedging purposes)
  The Fund's exposure from derivatives positions for hedging purposes should not exceed the Fund's NAV. Further, the maximum exposure of the Fund to the counterparty, calculated based on the method prescribed in the GUTF, must not exceed 10% of the Fund's NAV. For the exposure to the underlying assets of the derivative must not exceed the investment restrictions or limitations applicable to such underlying assets and investments stipulated in the GUTF.

In respect of any breach of restrictions and limits as a result of an appreciation or depreciation in value of the Fund's investments; withdrawal of units or payment made out of the Fund; change in capital of a corporation in which the Fund has invested in; or downgrade in or cessation of a credit rating, we must rectify such breach as soon as practicable, in any event within three (3) months from the date of the breach. The three-month period may be extended if it is in the best interest of Unit holders with the Trustee's consent and the extension must be subject to at least a monthly review by the Trustee.

1.4. APPROVALS AND CONDITIONS

On 10 April 2025, we have obtained the approval from the SC for a variation to Paragraph 9.08 of the GUTF which allow us to pay a Unit holder within five (5) Business Days from the receipt of proceeds from the Target Fund where such Unit Holder has exercised a cooling-off right pursuant to section 4.8.

1.5. FINANCING

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

1.6. SECURITIES LENDING AND REPURCHASE TRANSACTIONS

Not applicable for the Fund.

1.7. RISK FACTORS

1.7.1. 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 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.

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

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

Please note that financing is not encouraged. The manager does not provide financing for the purchase of units of the fund.

Liquidity risk
Liquidity risk refers to the ability to sell and convert the units or shares held in the CIS into cash. This may be affected by the liquidity policy applied by the CIS (e.g. suspension of the CIS), which may negatively impact the fund and unit holders may experience delay in the withdrawal process.

1.7.2. SPECIFIC RISKS RELATED TO THE FUND

Currency risk
You should 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 hedged 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 favorable 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.

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

Country risk
As the Fund invests in the Target Fund, which is domiciled in Luxembourg, the Fund's investments in the Target Fund may be affected by risks specific to the country. Such risks include adverse changes in the country's laws and regulations and foreign investments policies. These factors may have an adverse impact on the price of the Target Fund and consequently the Fund.

1.7.3. SPECIFIC RISKS RELATED TO THE TARGET FUND

The following section was excerpted from the information stated in the Target Fund Prospectus. As the Fund invests predominantly in the Target Fund, the Fund also assumes the risks associated with the Target Fund, which include but not limited to the following:

Chinese market risk
Risks associated with the Chinese Market are similar to the "Emerging markets risk" described below. With the government having a greater control over allocation of resources, the risks that naturally prevail in this type of market is political and legal uncertainty, currency fluctuations and blockage, no government support on reform or nationalisation and expropriation of assets. Such risks can have a negative impact on the performance of the Target Fund.

The Chinese market is undergoing economic reform, these reforms of decentralisation are unprecedented or experimental and subject to modification which may not always have a positive outcome on the performance of the economy and then the value of securities in the Target Fund.

Securities traded in the Chinese markets may be subject to a range of reputational risks such as risks borne by companies being subject to cyber abuses, sanctions concerns and negative accusations over labor and human rights, environmental degradation, ties to high-risk countries and entities overseas.

The Chinese economy is also export driven and highly reliant on trade. Adverse changes in the economic conditions of its primary trading partners such as the US, Japan and South Korea would adversely impact the Chinese economy and the Target Fund investments.

In recent years, political tensions within Hong Kong have risen. Such increased political tensions could have potential impacts on the political and legal structures in Hong Kong. They could also affect investor and business confidence in Hong Kong, which in turn could affect markets and business results.

There are also risk and uncertainties associated with the current Mainland China tax laws, regulations and practice in respect of capital gains realized on the Fund's investment in Mainland China (which may have retrospective effect). Any increased tax liabilities on the Target Fund may adversely affect the Target Fund's value.

Concentration risk
The Target Fund may have an investment policy which specifically states an intention to maintain a portfolio with holdings in a relatively limited number of issuers or a concentrated allocation to a given economic sector, market segment or geographical area. By being less diversified, the Target Fund may be more volatile than broadly diversified funds, or may be exposed to greater risk since under performance of one or a few positions, sectors or geographical areas will have a greater impact on the Target Fund's assets. The Target Fund may be adversely affected as a result of such greater volatility or risk.

Counterparty risk
Counterparty risk is the risk to each party of a contract that the counterparty will fail to perform its contractual obligations and/or to respect its commitments under the term of such contract, whether due to insolvency, bankruptcy or other cause.

When over-the-counter (OTC) or other bilateral contracts are entered into (inter alia OTC derivatives, repurchase agreements, security lending, etc.), the Company may find itself exposed to risks arising from the solvency of its counterparties and from their inability to respect the conditions of these contracts.

Credit risk
Credit risk, a fundamental risk relating to all fixed income securities as well as money market instruments, is the chance that an issuer will fail to make principal and interest payments when due. Issuers with higher credit risk typically offer higher yields for this added risk. Conversely, issuers with lower credit risk typically offer lower yields. Generally, government securities are considered to be the safest in terms of credit risk, while corporate debt, especially those with poorer credit ratings, have the highest credit risk. Changes in the financial condition of an issuer, changes in economic and political conditions in general, or changes in economic and political conditions specific to an issuer (particularly a sovereign or supranational issuer), are all factors that may have an adverse impact on an issuer's credit quality and security values. Related to credit risk is the risk of downgrade by a rating agency. Rating agencies such as Standard & Poor's, Moody's and Fitch, among others, provide ratings for a wide array of fixed income securities (corporate, sovereign, or supranational) which are based on their creditworthiness. The agencies may change their ratings from time to time due to financial, economic, political, or other factors, which, if the change represents a downgrade, can adversely impact the value of the affected securities.

Debt securities risk
The Target Fund that invests in debt securities or money market instruments are subject to interest rate risk, credit risk, default risk and may be exposed to specific risks including but not limited to sovereign risk, high yield securities risk, restructuring risk and risk related to the use of credit ratings.

A fixed income security's value will generally increase in value when interest rates fall and decrease in value when interest rates rise. Fixed income securities with longer-term maturities tend to be more sensitive to interest rate changes than shorter-term securities.

Variable rate securities (which include floating-rate debt securities) generally are less sensitive to interest rate changes than fixed rate debt securities.

The Target Fund may invest in debt securities on which the issuer is not currently making interest payments (defaulted debt securities). The Target Fund may buy defaulted debt securities if, in the opinion of the Target Fund Investment Manager, it appears likely that the issuer may resume interest payments or other advantageous developments appear likely in the near future. These securities may become illiquid.

Sovereign debt securities can be subject to risks in addition to those relating to debt securities and foreign securities generally, including, but not limited to, the risk that a governmental entity may be unwilling or unable to pay interest and repay principal on its sovereign debt. There are generally no bankruptcy proceedings for sovereign debt. If a sovereign debtor defaults (or threatens to default) on its sovereign debt obligations, the indebtedness may be restructured. In the event of a default on sovereign debt, the Target Fund may have limited legal recourse against the defaulting government entity.

The Target Fund may invest in sovereign debt issued by governments or government-related entities from countries referred to as emerging markets or frontier markets, which bear additional risks compared to more developed markets due to such factors as greater political and economic uncertainties, currency fluctuations, repatriation restrictions or capital controls.

The Target Fund may invest in higher-yielding securities rated lower than investment grade. High-yield debt securities (including loans) and unrated securities of similar credit quality ("high-yield debt instruments" or "junk bonds") involve greater risk of loss, or delays of interest and principal payments, than higher-quality debt securities. Issuers of high-yield debt instruments are not as strong financially as those issuing securities of higher credit quality. High-yield debt instruments are generally less liquid and their prices fluctuate more than higher-quality securities.

The Target Fund may also invest in the securities of companies involved in mergers, consolidations, liquidations and reorganisations (including those involving bankruptcy). Such corporate events could be disruptive to the business and management structure of the companies involved, which may expose the Target Fund to higher investment risk.

The use of credit ratings in evaluating debt securities can involve certain risks, including the risk that the credit rating may not reflect the issuer's current financial condition or events since the security was last rated by a rating agency. Credit ratings may be influenced by conflicts of interest or based on historical data that no longer apply or are accurate. Recently, legislation and regulations to reform rating agencies have been proposed and may adversely impact the Target Fund's investments or investment process.

Debt securities are subject to prepayment risk when the issuer can "call" the security, or repay principal, in whole or in part, prior to the security's maturity. When the Target Fund reinvests the prepayments of principal it receives, it may receive a rate of interest that is lower than the rate on the existing security, potentially lowering the Target Fund's income, yield and its distributions to shareholders. Securities subject to prepayment may offer less potential for gains during a declining interest rate environment and have greater price volatility. Prepayment risk is greater in periods of falling interest rates.

Derivative instruments risk
The performance of derivative instruments depends largely on the performance of an underlying currency, security, index or other reference asset, and such instruments often have risks similar to the underlying instrument, in addition to other risks. The Target Fund may use options, futures, options on futures, and forward contracts on currencies, securities, indices, interest rates or other reference assets for hedging and efficient portfolio management purposes. Derivative instruments involve costs and can create economic leverage in the Target Fund's portfolio which may result in significant volatility and cause the Target Fund to participate in losses (as well as gains) in an amount that significantly exceeds the Target Fund's initial investment. In the case of futures transactions, the amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the Target Fund. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders.

Transactions in options may also carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the Target Fund is fixed, the Target Fund may sustain a loss well in excess of that amount. The Target Fund will also be exposed to the risk of the purchaser exercising the option and the Target Fund will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the Target Fund holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced. The risk of loss to the Target Fund for a swap transaction on a net basis depends on which party is obliged to pay the net amount to the other party. If the counterparty is obliged to pay the net amount to the Target Fund, the risk of loss to the Target Fund is the loss of the entire amount that the Target Fund is entitled to receive; if the Target Fund is obliged to pay the net amount, the Target Fund's risk of loss is limited to the net amount due.

Certain derivatives have the potential for a high degree of leverage regardless of the size of the initial investment. The use of leverage may cause the Target Fund to liquidate portfolio positions to satisfy its obligations or to meet asset segregation requirements when it may not be advantageous to do so. Other risks include illiquidity, mispricing or improper valuation of the derivative instrument, and imperfect correlation between the value of the derivative and the underlying instrument so that the Target Fund may not realise the intended benefits. Their successful use will usually depend on the Target Fund Investment Manager's ability to accurately forecast movements in the market relating to the underlying instrument. Should a market or markets, or prices of particular classes of investments move in an unexpected manner, especially in unusual or extreme market conditions, the Target Fund may not achieve the anticipated benefits of the transaction, and it may realise losses, which could be significant. If the Target Fund Investment Manager is not successful in using such derivative instruments, the Target Fund's performance may be worse than if the Target Fund Investment Manager did not use such derivative instruments at all. To the extent that the Target Fund uses such instruments for hedging purposes, there is the risk of imperfect correlation between movements in the value of the derivative instrument and the value of the underlying investment or other asset being hedged. There is also the risk, especially under extreme market conditions, that an instrument, which usually would operate as a hedge, provides no hedging benefits at all.

The Target Fund may engage in transactions involving derivative instruments that trade on exchanges or that may be privately negotiated and trade "over-the-counter" (OTC) and not on an exchange. Exchange-traded derivatives include futures, options, options on futures, and warrants. Examples of OTC derivative instruments include currency forwards, interest rate swaps, credit default swaps, total return swaps or contracts for differences. Use of such OTC instruments could result in a loss if the counterparty to the transaction (with respect to forward currency contracts and other OTC derivatives) does not perform as promised, including because of such counterparty's bankruptcy or insolvency. This risk may be heightened during volatile market conditions. Collateral is employed for many OTC derivative transactions – it needs to be transferred to the counterparty if the Target Fund has a net loss on a given transaction and the Target Fund may hold collateral received from the counterparty to the Target Fund if the Target Fund has a net gain on a given transaction. The value of the collateral may fluctuate, however, and it may be difficult to sell, so there are no assurances that the value of collateral held will be sufficient to cover the amount owed to the Target Fund or will not be absorbed by other outstanding obligations of the counterparty. Other risks include the inability to close out a position because the trading market becomes illiquid (particularly in the OTC markets) or the availability of counterparties becomes limited for a period of time. In addition, the presence of speculators in a particular market could lead to price distortions. To the extent that the Target Fund is unable to close out a position because of market illiquidity, the Target Fund may not be able to prevent further losses of value in its derivatives holdings and the Target Fund's liquidity may be impaired to the extent that it has a substantial portion of its otherwise liquid assets marked as segregated to cover its obligations under such derivative instruments. The Target Fund may also be required to take or make delivery of an underlying instrument that the Target Fund Investment Manager would otherwise have attempted to avoid. Some derivatives can be particularly sensitive to changes in interest rates or other market prices. Investors should bear in mind that, while the Target Fund may intend to use derivative strategies on a regular basis, it is not obligated to actively engage in these transactions, generally or in any particular kind of derivative, if the Target Fund Investment Manager elects not to do so due to availability, cost or other factors.

Financial derivative instruments may be used for, among other purposes, synthetic short selling. According to the Law of 17 December 2010, the short selling of securities or any physical instrument is not permitted. In order to replicate short exposure either for investment purposes or to hedge a long position in the same or a similar asset, synthetic short selling can be accomplished through the use of derivatives. The purchase of credit default swaps (CDS), for example, for a particular issuer without owning a debt obligation of that issuer effectively results in the Target Fund having a short exposure to that issuer. The Target Fund may also purchase credit default swaps to hedge an existing position in the same issuer. Purchasing a put option on a stock, debt obligation, or a currency without owning the stock, debt obligation or currency is also effectively going short (and again such a transaction may be entered into for the purpose of hedging an existing position). The only investment at risk in such strategies is the premium paid for the CDS or option, unlike the case of going short actual stocks, bonds or currencies where the full investment in such assets is at risk. Another synthetic short selling strategy is the selling of interest rate futures which will benefit from a rise in interest rates, thereby replicating going short interest rates. Where premium is paid for such synthetic short selling strategies (e.g. for credit default swaps or put options), there is the possibility of losing the entire investment if no credit event occurs (in the case of credit default swaps) or the option expires worthless (because the underlying asset did not fall below the strike price). Where a futures contract is entered into (e.g. selling interest rate futures), the potential loss is governed by the degree to which interest rates move down instead of up, the conversion factor applied vis-à-vis the basket of eligible securities, the time to delivery, and the notional amount associated with the contract. Additional strategies similar to these may be implemented with similar consequences and potential risks. Risk is mitigated by virtue of daily adjustment of variation margin and/or the maintenance of eligible collateral against the position. There is no assurance that such synthetic short selling strategies as described herein will be as effective in achieving short exposure for investment or hedging purposes as actual short selling strategies.

Under recent financial reforms, certain types of derivatives (i.e., certain swaps) are, and others eventually are expected to be, required to be cleared through a central counterparty. Central clearing is designed to reduce counterparty credit risk and increase liquidity compared to OTC swaps, but it does not eliminate those risks completely. With cleared swaps, there is also a risk of loss by the Target Fund of its initial and variation margin deposits in the event of bankruptcy of the FCM with which the Target Fund has an open position in a swap contract. If a Futures Commission Merchant ("FCM") does not provide accurate reporting, the Target Fund is also subject to the risk that the FCM could use the Target Fund's assets to satisfy its own financial obligations or the payment obligations of another customer to the central counterparty. With cleared swaps, the Target Fund may not be able to obtain as favourable terms as it would be able to negotiate for a bilateral, uncleared swap. In addition, an FCM may unilaterally amend the terms of its agreement with the Target Fund, which may include the imposition of position limits or additional margin requirements with respect to the Target Fund's investment in certain types of swaps. Central counterparties and FCMs generally can require termination of existing cleared swap transactions at any time, and can also require increases in margin above the margin that is required at the initiation of the swap agreement.

The regulation of cleared and uncleared swaps, as well as other derivatives, is a rapidly changing area of law and is subject to modification by government and judicial action. In addition, regulators and exchanges in many jurisdictions are authorised to take extraordinary actions in the event of a market emergency, including, for example, the implementation or reduction of speculative position limits, the implementation of higher margin requirements, the establishment of daily price limits and the suspension of trading. It is not possible to predict fully the effects of current or future regulation. New requirements, even if not directly applicable to the Target Fund, may increase the cost of the Target Fund's investments and cost of doing business, which could adversely affect investors.

The use of derivative strategies may also have a tax impact on the Target Fund. The timing and character of income, gains or losses from these strategies could impair the ability of the Target Fund Investment Manager to utilise derivatives when it wishes to do so.

Dilution and swing pricing risk
The actual cost of purchasing or selling the underlying investments of the Target Fund may be different from the carrying value of these investments in the Target Fund's valuation. The difference may arise due to dealing and other costs (such as taxes) and/or any spread between the buying and selling prices of the underlying investments.

These dilution costs can have an adverse effect on the overall value of the Target Fund and thus the Net Asset Value per share may be adjusted in order to avoid disadvantaging the value of investments for existing shareholders. The size of the adjustment impact is determined by factors such as the volume of transactions, the purchase or sale prices of the underlying investments and the valuation method adopted to calculate the value of such underlying investments of the Target Fund.

Emerging markets risk
The Target Fund investments in the securities issued by corporations, governments, and government related entities in different nations and denominated in different currencies involve certain risks. These risks are typically increased in developing countries and emerging markets. Such risks, which can have adverse effects on portfolio holdings, may include: (i) investment and repatriation restrictions; (ii) currency fluctuations; (iii) the potential for unusual market volatility as compared to more

industrialised nations; (iv) government involvement in the private sector; (v) limited investor information and less stringent investor disclosure requirements; (vi) shallow and substantially smaller liquid securities markets than in more industrialised countries, which means the Target Fund may at times be unable to sell certain securities at desirable prices; (vii) certain local tax law considerations; (viii) limited regulation of the securities markets; (ix) international and regional political and economic developments; (x) possible imposition of exchange controls or other local governmental laws or restrictions; (xi) the increased risk of adverse effects from deflation and inflation; (xii) the possibility of limited legal recourse for the Fund; and (xiii) the custodial and/or the settlement systems may not be fully developed.

Investors in the Target Fund investing in emerging markets should in particular be informed that the liquidity of securities issued by corporations and public-law entities in emerging markets may be substantially smaller than with comparable securities in industrialised countries.

In particular, in respect of high-risk emerging market countries, the Net Asset Value, the marketability and the returns derived from the Target Fund's investments may be significantly affected by uncertainties such as political or diplomatic developments, social and religious instability, changes in government policies, taxation and interest rates, currency conversion and repatriation, and other political, economic, legislative or regulatory developments in emerging markets and, in particular, the risks of expropriation, nationalisation and confiscation of assets and changes in legislation relating to the level of foreign ownership. All of these events may adversely affect the overall investment climate and, in particular investment opportunities for the Target Fund. The denomination "emerging markets" covers a wide range of countries with differing economic and political situations. A degree of portfolio concentration in high-risk emerging market countries will entail greater exposure to the risks described above for a given portfolio.

Equity risk
Investments in equity securities offer the potential for substantial capital appreciation. However, such investments also involve risks, including issuer, industry, market and general economic related risks. Although the Target Fund Investment Manager will use diversification to reduce some of these risks, adverse developments or perceived adverse developments in one or more of these areas could cause a substantial decline up to a total loss of the value of equity securities owned by the Target Fund.

Additionally, the Target Fund may invest in specific types of securities bearing additional price risks or liquidity risks, specific to their nature. Such securities may include but are not limited to: (i) Special Purpose Acquisition Companies (SPACs) which may have no existing business operations (ii) Private Investments in Public Equity (PIPE) and/or (iii) Initial Public Offerings (IPOs).

ESG regulatory risk
The regulatory framework with respect to sustainable investments is constantly developing and evolving. The lack of common or harmonised definitions and labels regarding ESG and sustainability criteria or clear guidelines on the required level of disclosure may result in different approaches by asset managers when integrating ESG and sustainability criteria into investment decisions and updating the marketing documentation of an investment vehicle. Therefore, a degree of subjectivity is required and this will mean that the Target Fund may invest in a security that another asset manager or an investor would not and the level of disclosure in the Target Fund Management Company's marketing documentation may be more or less detailed than the disclosure inserted in the marketing documentation of other investment vehicles. Hence, it may be difficult to compare investment vehicles, with ostensibly similar objectives as these investment vehicles will employ different security selection and exclusion criteria. Consequently, the performance profile of otherwise similar investment vehicles may deviate more substantially than might otherwise be expected. This also means that the approach which has been subjectively selected may potentially differ from positions adopted at a later stage at EU level or by national supervisory authorities, which might entail a reputational risk or be considered as involuntary greenwashing.

Foreign currency risk
Since the Target Fund Management Company values the portfolio holdings of the Target Fund in either US dollar, Japanese yen or euro, changes in currency exchange rates adverse to those currencies may affect the value of such holdings and the Target Fund's yield thereon.

Since the securities, including cash and cash equivalents, held by the Target Fund may be denominated in currencies different from its base currency, the Target Fund may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between such reference currency and other currencies. Changes in currency exchange rates may influence the value of the Target Fund's Shares, and also may affect the value of dividends and interests earned by the Target Fund and gains and losses realised by the Target Fund. If the currency in which a security is denominated appreciates against the base currency, the price of the security could increase. Conversely, a decline in the exchange rate of the currency would adversely affect the price of the security.

To the extent that the Target Fund seeks to use any strategies or instruments to hedge or to protect against currency exchange risk, there is no guarantee that hedging or protection will be achieved. Unless otherwise stated in the Target Fund's investment policy, there is no requirement that the Target Fund seeks to hedge or to protect against currency exchange risk in connection with any transaction.

Currency management strategies may substantially change the Target Fund's exposure to currency exchange rates and could result in losses to the Target Fund if currencies do not perform as the Investment Manager expects. In addition, currency management strategies, to the extent that they reduce the Target Fund's exposure to currency risks, may also reduce the Target Fund's ability to benefit from favourable changes in currency exchange rates. There is no assurance that the Investment Manager's use of currency management strategies will benefit the Fund or that they will be, or can be, used at appropriate times. Furthermore, there may not be perfect correlation between the amount of exposure to a particular currency and the amount of securities in the portfolio denominated in that currency. Investing in foreign currencies for purposes of gaining from projected changes in exchange rates, as opposed to hedging currency risks applicable to the Target Fund's holdings, further increases the Target Fund's exposure to foreign investment losses.

Investors should be aware of the fact that the Chinese Renminbi (RMB) is subject to a managed floating exchange rate based on market supply and demand with reference to a basket of currencies. Currently, the RMB is traded in two markets: one in Mainland China, and one outside Mainland China (primarily in Hong Kong). The RMB traded in Mainland China is not freely convertible and is subject to exchange controls and certain requirements by the government of Mainland China. The RMB traded outside Mainland China, on the other hand, is freely tradable. Whilst the RMB is traded freely outside Mainland China, the RMB spot, forward foreign exchange contracts and related instruments reflect the structural complexities of this evolving market. Accordingly, alternative currency classes denominated in RMB may be exposed to greater foreign exchange risks.

Frontier markets risk
Investments in emerging market countries involve risks as set out in the section "Emerging markets risks" above. Investments in frontier markets involve risks similar to investments in emerging markets but to a greater extent since frontier markets are even smaller, less developed, and less accessible than other emerging markets. Frontier markets may also experience greater political and economic instability and may have less transparency, less ethical practices, and weaker corporate governance compared to other emerging markets and the Target Fund may be adversely impacted. Such markets are also more likely to have investment and repatriation restrictions, exchange controls and less developed custodial and settlement systems than other emerging markets. The countries that comprise frontier markets include the lesser developed countries located in Africa, Asia, the Middle East, Eastern Europe and Latin America. As a result, the Target Fund may be adversely impacted.

Legal and regulatory risk
The Target Fund must comply with various legal requirements, including requirements imposed by the securities laws and companies laws in various jurisdictions, including the Grand Duchy of Luxembourg.

The interpretation and application of legislative acts can be often contradictory and this may impact the enforceability of the various agreements and guarantees entered into by the Target Fund. Legislation could be imposed retrospectively or may be issued in the form of internal regulations not generally available to the public. The interpretation and application of laws and regulations can be often contradictory and uncertain particularly in respect of matters relating to taxation.

Courts may not adhere to the requirements of the law and the relevant contract and it cannot be guaranteed that any recourse or judgment obtained in a foreign court will be enforced in certain jurisdictions where the assets relating to securities held by the Target Fund is located.

Liquidity risk
Liquidity risk takes two forms: asset side liquidity risk and liability side liquidity risk. Asset side liquidity risk refers to the inability of a Fund to sell a security or position at its quoted price or market value due to such factors as a sudden change in the perceived value or credit worthiness of the position, or due to adverse market conditions generally. Liability side liquidity risk refers to the inability of the Target Fund to meet a redemption request, due to the inability of the Target Fund to sell securities or positions in order to raise sufficient cash to meet the redemption request. Markets where the Target Fund's securities are traded could also experience such adverse conditions as to cause exchanges to suspend trading activities. Reduced liquidity due to these factors may have an adverse impact on the NAV of the Target Fund and, as noted, on the ability of the Target Fund to meet redemption requests in a timely manner.

Certain securities are illiquid due to a limited trading market, financial weakness of the issuer, legal or contractual restrictions on resale or transfer, or that are otherwise illiquid in the sense that they cannot be sold within seven days at approximately the price at which the Target Fund values them. Securities that are illiquid involve greater risk than securities with more liquid markets. Market quotations for such securities may be volatile and/or subject to large spreads between bid and ask prices. Illiquidity may have an adverse impact on market price and the Target Fund's ability to sell particular securities when necessary to meet the Target Fund's liquidity needs or in response to a specific economic event.

Market risk
The market values of securities owned by the Target Fund will go up or down, sometimes rapidly or unpredictably. Securities may decline in value due to factors affecting individual issuers, securities markets generally or particular industries or sectors within the securities markets. The value of a security may go up or down due to general market conditions which are not specifically related to a particular issuer, such as real or perceived adverse economic conditions, changes in the general outlook for revenues or corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also go up or down due to factors that affect an individual issuer, a particular industry or sector, such as changes in production costs and competitive conditions within an industry or a specific country. Unexpected events such as natural or environmental disasters (earthquakes, fires, floods, hurricanes, tsunamis) and other severe weather-related phenomena generally, or widespread disease, including pandemics and epidemics, have been and can be highly disruptive to economies of individual companies, sectors, industries, nations, markets and adversely impacting currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of the Target Fund's investments. Given the interdependence among global economies and markets, conditions in one country, market, or region are likely to adversely affect markets, issuers, and/or foreign exchange rates in other countries. These disruptions could prevent the Target Fund from executing advantageous investment decisions in a timely manner and could negatively impact the Target Fund's ability to achieve its investment objective.

During a general downturn in the securities markets, multiple asset classes may decline in value. When markets perform well, there can be no assurance that securities held by the Target Fund will participate in or otherwise benefit from the advance. All investments in financial markets may decrease in value.

PIPEs risk

Investments in privately sourced and structured convertible and equity-linked securities of public companies ("PIPES") offer the opportunity for significant gains, but also involve a high degree of risk, including the complete loss of capital. Among these risks are the general risks associated with investing in companies operating at a loss or with substantial variations in operating results from period to period and investing in companies with the need for substantial additional capital to support expansion or to achieve or maintain a competitive position. Such companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and service capabilities, and a greater number of qualified managerial and technical personnel. Securities of any such portfolio company will likely be thinly traded and undercapitalized and will therefore be more sensitive to adverse business or financial developments. In the event that any such portfolio company is unable to generate sufficient cash flow or raise additional equity capital to meet its projected cash needs, the value of the investment made by the Target Fund in such portfolio investment could be significantly reduced or even lost entirely.

Portfolio turnover risk

The Target Fund Investment Manager may sell a security or enter into or close out of a derivative position when it believes it is appropriate to do so, regardless of how long the Target Fund has held the instrument. These activities increase the Target Fund's portfolio turnover and may increase the Target Fund's transaction costs.

Private companies risk

Investments in securities issued by private companies involve a significant degree of risk and uncertainties compared to publicly traded equity. These investments are usually made in companies that have existed for a short period of time, with little business experience and therefore any forecast of future growth in value is subject to a high level of uncertainty.

Investments in securities issued by private companies are also subject to limited liquidity as they are not traded in an organized market.

Real assets risk

The Target Fund investing in real assets securities, or securities linked to real assets, will be subject to specific risks linked to a variety of factors, including local, regional and national economic conditions, interest rates and tax considerations. Real assets markets performance may show little correlation to equity and bond markets. There is a risk that funds investing in real assets may perform poorly in an otherwise favourable economic environment.

Securities of real estate investment trusts ("REITs") may be affected by any changes in the value of the properties owned and other factors, and their prices tend to go up and down. A REIT's performance depends on the types and locations of the properties it owns and on how well it manages those properties. A decline in rental income may occur because of extended vacancies, increased competition from other properties, tenants' failure to pay a rent or poor management. A REIT's performance also depends on the company's ability to finance property purchases and renovations and manage its cash flows. Since REITs typically are invested in a limited number of projects or in a particular market segment, they are more susceptible to adverse developments affecting a single project or market segment than more broadly diversified investments.
Securities of infrastructure companies are securities of companies whose primary business is in infrastructure-related activities, including the design, construction, operation or maintenance of seaports, airports, railways, roadways, pipelines, energy generation facilities (coal, oil, nuclear, hydro or solar powered), electricity transmission, water treatment plants, or related activities to these businesses. Such companies may experience volatility due to challenges such as getting the necessary permits, obtaining environmental clearances, meeting regulatory standards, requirements or guidelines, or being impacted by the level of economic activity, weather, natural disasters, governmental actions, civil disturbances, or acts of terrorism. By virtue of being concentrated in this one sector, the Target Fund may experience greater volatility compared to funds that follow a more diversified investment policy.

Securities lending risk

The entering by the Target Fund Management Company into securities lending transactions involves certain risks and there can be no assurance that the objective sought to be obtained from such use will be achieved.

Investors must notably be aware that in case of default, bankruptcy or insolvency of the borrower of securities lent by the Target Fund, there is a risk of delay in recovery (that may restrict the ability of the Target Fund to meet delivery obligations under security sales or payment obligations arising from sale requests) or even loss of rights in collateral received, which risks are mitigated by a careful creditworthiness analysis of borrowers to determine their degree of risk for said borrowers to become involved in insolvency/bankruptcy proceedings within the timeframe contemplated by the loan. If the borrower of securities lent by the Target Fund fails to return these securities there is a risk that the collateral received may realise less than the value of the securities lent out, whether due to inaccurate pricing, adverse market movements, a deterioration in the credit rating of issuers of the collateral or the illiquidity on the market in which the collateral is traded.

The Target Fund may reinvest the cash collateral received from borrowers. There is a risk that the value or return of the reinvested cash collateral may decline below the amount owed to those borrowers, and those losses may exceed the amount earned by the Target Fund on lending the securities.

Smaller and midsize companies risk
While smaller and midsize companies may offer substantial opportunities for capital growth, they also involve substantial risks and should be considered speculative. Historically, smaller and midsize company securities have been more volatile in price than larger company securities, especially over the short term. Among the reasons for the greater price volatility are the less certain growth prospects of smaller and midsize companies, the lower degree of liquidity in the markets for such securities, and the greater sensitivity of smaller and midsize companies to changing economic conditions.

In addition, smaller and midsize companies may lack depth of management, be unable to generate funds necessary for growth or development, have limited product lines or be developing or marketing new products or services for which markets are not yet established and may never become established. Smaller and midsize companies may be particularly affected by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying any loans which are floating-rate.

These risks are typically increased for securities issued by smaller companies registered or performing a significant part of their activities in developing countries and Emerging Markets, especially as the liquidity of securities issued by companies in Emerging Markets may be substantially smaller than with comparable securities in industrialised countries.

SPACs risk
The Target Fund may invest directly or indirectly in special purpose acquisition companies (SPACs) or similar special purposes entities which are subject to a variety of risks beyond those associated with other equity securities. A SPAC is a publicly traded company that raises investment capital for the purpose of acquiring or merging with an existing company. SPACs do not have any operating history or ongoing business other than seeking acquisitions, and the value of their securities is particularly dependent on the ability of the SPAC's management to identify a merger target and complete an acquisition. Some SPACs may pursue acquisitions only within certain industries or regions, which may increase the volatility of their prices. In addition, these securities, which may be traded in the over-the-counter market, may be considered illiquid and/or may be subject to restrictions on resale.

Sustainability risk
The Target Fund Investment Manager considers that sustainability risks are relevant to the returns of the Target Fund. The integration of sustainability risks in the investment decision process may have the effect of excluding profitable investments from the investment universe of the Target Fund and may also cause the Target Fund to sell investments that will continue to perform well.

Appreciation of sustainability risk is to a degree subjective and there is no guarantee that all investments made by the Target Fund will reflect beliefs or values of any particular investor on sustainable investments.

A sustainability risk could materialise as the occurrence of an environmental, social or governance event or condition causing material negative impact on the value of one or several investments and thus negatively affecting the returns of the Target Fund.

Sustainability risks can manifest themselves in different ways, such as but not limited to:
- failure to comply with environmental, social or governance standards resulting in reputational damage, causing fall in demand for products and services, or loss of business opportunities for a company or industry group,
- changes in laws, regulations or industry norms giving rise to possible fines, sanctions or change in consumer behavior affecting a company or an entire industry's prospects for growth and development,
- changes in laws or regulations, may generate higher demand for, and thus undue increase in prices of securities of companies perceived as meeting higher ESG standards. Prices of such securities may become more volatile if perception from market participants about companies adherence to ESG standards changes, and
- changes in laws or regulations, may incentivize companies to provide misleading information about their environmental, social or governance standards or activities.

Commonly considered sustainability risk factors are split into "Environment, Social, and Governance" (ESG), such as but not limited to the following topics:
Environment
- Climate mitigation
- Adjustment to climate change
- Protection of biodiversity
- Sustainable use and protection of water and maritime resources
- Transition to a circular economy, avoidance of waste, and recycling
- The avoidance and reduction of environmental pollution
- Protection of healthy ecosystems
- Sustainable land use

Social affairs
- Compliance with recognized labor law standards (no child and forced labor, no discrimination)
- Compliance with employment safety and health protection
- Appropriate remuneration, fair working conditions, diversity, and training and development opportunities
- Trade union rights and freedom of assembly
- Guarantee of adequate product safety, including health protection
- Application of the same requirements to entities in the supply chain
- Inclusive projects or consideration of the interests of communities and social minorities

Corporate Governance
- Tax honesty
- Anti-corruption measures
- Sustainability management by the board
- Board remuneration based on sustainability criteria
- The facilitation of whistle-blowing
- Employee rights guarantees
- Data protection guarantees

Sustainability risks can lead to a significant deterioration in the financial profile, profitability or reputation of an underlying investment and thus may materially impact its market price or liquidity.

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

2. TARGET FUND INFORMATION

2.1. ABOUT FRANKLIN TECHNOLOGY FUND ("TARGET FUND")

Franklin Templeton Investment Funds (the "Company") is incorporated in Luxembourg under the laws of the Grand Duchy of Luxembourg as a société anonyme and qualifies as a société d'investissement à capital variable ("SICAV").

The Company is registered on the official list of undertakings for collective investment in transferable securities pursuant to Part I of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as may be amended from time to time (the "Law of 17 December 2010"). The Company qualifies as an Undertaking for Collective Investment in Transferable Securities ("UCITS") under Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended.

The Company has appointed Franklin Templeton International Services S.à r.l., société à responsabilité limitée with its registered office at 8A, rue Albert Borschette, L-1246 Luxembourg, Grand Duchy of Luxembourg as management company (the "Management Company") to provide investment management, administration and marketing services to the Company with the possibility to delegate part or all of such services to third-parties.

The Management Company has delegated the investment management activities of the Target Fund to Franklin Advisers, Inc., which act as investment manager of the Target Fund and provide day-to-day management in respect of the investment and re-investment of the net assets of the Target Fund.

J.P. Morgan SE, Luxembourg Branch (the "Depositary") has been appointed as depositary to provide depositary, custodial, settlement and certain other associated services to the Company.

J.P. Morgan SE is a European Company (Societas Europaea) organized under the laws of Germany, with registered office at Taunustor 1 (TaunusTurm), 60310 Frankfurt am Main, Germany and registered with the commercial register of the local court of Frankfurt. It is a credit institution subject to direct prudential supervision by the European Central Bank (ECB), the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) and Deutsche Bundesbank, the German Central Bank. J.P. Morgan SE, Luxembourg Branch is authorized by the Commission de Surveillance du Secteur Financier ("CSSF") to act as depositary and fund administrator. J.P. Morgan SE, Luxembourg Branch is registered in the Luxembourg Trade and Companies' Register (RCS) under number B255

This Prospectus describes the features of the Target Fund in accordance with the Target Fund Prospectus and we recommend this document should be read in conjunction with the Target Fund Prospectus. We have taken the necessary measures to ensure the accuracy and consistency of information disclosed in this Prospectus in relation to the Target Fund. In the event of any inconsistency or ambiguity in relation to any word or phrase used in this Prospectus regarding the Target Fund as compared to the Target Fund Prospectus, the Target Fund Prospectus shall prevail. *(**Note:** For more information about the Target Fund Prospectus, please refer to the website at www.franklintempleton.lu)*

Investment Objective and Investment Policies of the Target Fund

The Target Fund's investment objective is capital appreciation.

The Target Fund invests at least two thirds of its net invested assets in equity securities of US and non-US companies expected to benefit from the development, advancement, and use of technology and communication services and equipment. These may include, for example, companies in the following industries:

- communication and computing related outsourcing services;
- technology services, including computer software, data services, and Internet services;
- electronic technology, including computers, computer products, and electronic components;
- telecommunications, including networking, wireless, and wire-line services and equipment;
- media and information services, including the distribution of information and content providers;
- semiconductors and semiconductor equipment; and
- precision instruments.

The Target Fund uses a growth approach that employs intensive, bottom-up, fundamental research of companies. The Investment Manager also takes into consideration broad-based trends when considering the selection of investments. In general, the Investment Manager looks for companies it believes display, or will display, some of the following characteristics, among others: quality management; robust growth prospects; strong market positioning; high, or rising profit margins; and good return on capital investment.

Since the Target Fund Investment Manager considers that Environmental, Social and Governance (ESG) factors are particularly relevant to investing in the technology sector and can contribute to the creation of shareholder value, ESG considerations are an integral component of its fundamental investment research. The Fund's environmental and/or social characteristics (within the meaning of Article 8 SFDR) promoted are detailed in the Appendix G* of the Target Fund Prospectus.

**Extract of Appendix G of the Target Fund Prospectus:*
The environment and/or social characteristics promoted by the Target Fund are specific to each company and industry in which the Target Fund operates. These characteristics consist of inter alia, drug affordability and pricing, diversity and inclusion, employee satisfaction/well-being and/or environmental impact (e.g., reduction of GHG emissions). The Target Fund Investment Manager seeks to attain these characteristics by excluding certain issuers and sectors considered by the Target Fund Investment Manager as harmful for the society while favoring issuers with a good ESG profile, as captured by its proprietary ESG methodology.

The Target Fund has a minimum allocation of 10% of its portfolio to sustainable investments. Of those sustainable investments, the Target Fund has a minimum allocation of 1% of its portfolio to sustainable investments with an environmental objective and a minimum allocation of 1% of its portfolio to sustainable investments with a social objective.

The Target Fund invests in securities of US and non US large, well-established companies, as well as small to medium-sized companies, that the Investment Manager believes provide good emerging growth opportunities.

The Target Fund may also, in accordance with the investment restrictions, invest (i) up to 10% of its net assets in securities issued by private companies and Private Investments in Public Equity (PIPEs) and (ii) up to 5% of its net assets in special purpose acquisition companies (SPACs) provided that the contemplated PIPEs and SPACs qualify as transferable securities under paragraphs (1) or (2) a) of Article 41of the Law of 17 December 2010.

The Target Fund may also invest in equity or debt securities of any type of foreign or US issuer as well as in American, European or Global Depositary Receipts.

Benchmark

The benchmark of the Target Fund may be found on the Key Investor Information Document (KIID) of the Target Fund available on the www.ftidocuments.com website.

Dividend Policy

No distribution of dividends shall be made but the net income attributable will be reflected in the increased value of the shares.

2.2. INVESTMENT RESTRICTIONS OF THE TARGET FUND MANAGEMENT COMPANY

The investment restrictions imposed by Luxembourg law must be complied with by the Target Fund. Those restrictions in 2.2.1. (e) below are applicable to the Company as a whole.

2.2.1. INVESTMENT IN TRANSFERABLE SECURITIES AND LIQUID ASSETS

a) The Company will invest in one or more of the following type of investments:

(i) transferable securities and money market instruments admitted to or dealt on a regulated market within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments;

(ii) transferable securities and money market instruments dealt on another market in a member state of the European Economic Area (a "Member State") which is regulated, operates regularly and is recognised and open to the public;

(iii) transferable securities and money market instruments admitted to official listing on a stock exchange in a non-EU Member state or dealt on another market in a non-EU Member State, which is regulated, operates regularly and is recognised and open to the public;

(iv) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or on another regulated market, in the countries of the areas referred to under (i), (ii) and (iii) above, which operates regularly and is recognised and open to the public, and such admission is secured within a year of the purchase;

(v) units of UCITS and/or other UCIs, whether situated in a Member State or not, provided that:
- such other UCIs have been authorised under the laws of any EU Member State or under laws which provide that they are subject to supervision considered by the Luxembourg supervisory authority to be equivalent to that laid down in EU law and that cooperation between authorities is sufficiently ensured,
- the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009,
- the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,

- no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs;

(vi) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in an EU Member State or, if the registered office of the credit institution is situated in a non-Member State, provided that it is subject to prudential rules considered by the Luxembourg supervisory authority as equivalent to those laid down in EU law;

(vii) financial derivative instruments, including equivalent cash-settled instruments, dealt on a regulated market referred to in subparagraph (i) to (iv) above, and/or financial derivative instruments dealt over-the-counter ("OTC derivatives"), provided that:
- the underlying consists of instruments covered under 1. a), financial indices, interest rates, foreign exchange rates or currencies, in which the Target Fund may invest according to its investment objectives,
- the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg supervisory authority,
- the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative,

(viii) money market instruments other than those dealt on a regulated market and which fall under 1. a), if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
- issued by an undertaking any securities of which are dealt on regulated markets referred to above, or
- issued or guaranteed by an establishment subject to prudential supervision in accordance with criteria defined by the EU law, or by an establishment which is subject to and complies with prudential rules considered by the Luxembourg supervisory authority to be at least as stringent as those laid down by EU law, or
- issued by other bodies belonging to the categories approved by the Luxembourg supervisory authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least 10 million euro and which presents and publishes its annual accounts in accordance with the fourth directive 78/660/EEC, is an entity which, within a group of companies which include one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

b) The Company may invest up to 10% of the net assets of the Target Fund in transferable securities and money market instruments other than those referred to in (a) above;

c) The Target Fund may hold ancillary liquid assets;

d) (i) The Target Fund may invest no more than 10% of its net assets in transferable securities and money market instruments issued by the same body. The Target Fund may not invest more than 20% of its net assets in deposits made with the same body. The risk exposure to a counterparty of the Target Fund in an OTC derivative transaction may not exceed 10% of its assets when the counterparty is a credit institution referred to in 1. a) (vi) above or 5% of its net assets in other cases.

(ii) The total value of the transferable securities and money market instruments held in the issuing bodies in the Target Fund invests more than 5% of its net assets must not exceed 40 % of the value of its assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision. Notwithstanding the individual limits laid down in paragraph 1. d) (i), the Target Fund may not combine:
- investments in transferable securities or money market instruments issued by a single body,
- deposits made with a single body, and/or
- exposures arising from OTC derivative transactions undertaken with a single body,

in excess of 20% of its net assets.

(iii) The limit laid down under the first sentence of paragraph 1. d) (i) above shall be of 35% where the Target Fund has invested in transferable securities or money market instruments issued or guaranteed by a Member State, by its local authorities, by a non-Member State or by public international bodies of which one or more Member States are members.

(iv) The limit laid down under the first sentence of paragraph 1. d) (i) above shall be of 25% 1. for Covered Bonds as defined under Article 3, point 1 of Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of Covered Bonds and Covered Bond public supervision and amending Directives 2009/65/EC and 2014/59/EU (hereafter "Directive (EU) 2019/2162"), and 2. for certain bonds when they are issued before 8 July 2022 by a credit institution which has its registered office in a Member State and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds issued before 8 July 2022 must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest.

If the Target Fund invests more than 5% of its net assets in the bonds above and issued by one issuer, the total value of such investments may not exceed 80% of the value of the assets of the Target Fund.

(v) The transferable securities and money market instruments referred to in paragraphs 1. d) (iii) and 1. d) (iv) are not included in the calculation of the limit of 40% referred to in paragraph 1. d) (ii).

The limit set out above under 1. d) (i), (ii), (iii) and (iv) may not be combined, and thus investments in transferable securities or money market instruments issued by the same body, in deposits or derivative instruments made with this body carried out in accordance with section 1. d) (i), (ii), (iii) and (iv) may not exceed a total of 35% of the net assets of the Target Fund.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained under 1. d). The Target Fund may cumulatively invest up to 20% of its net assets in transferable securities and money market instruments within the same group.

(vi) Without prejudice to the limits laid down in paragraph e), the limits laid down in this paragraph d) shall be 20% for investments in shares and/or bonds issued by the same body when the aim of the Target Fund's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the Luxembourg supervisory authority, provided

- the composition of the index is sufficiently diversified,
- the index represents an adequate benchmark for the market to which it refers,
- it is published in an appropriate manner.

The limit laid down in the subparagraph above is raised to 35% where it proves to be justified by exceptional market conditions in particular in regulated markets where certain transferable securities or money market instruments are highly dominant provided that investment up to 35% is only permitted for a single issuer.

(vii) where the Target Fund has invested in accordance with the principle of risk spreading in transferable securities and money market instruments issued or guaranteed by any EU Member State, its local authorities, or public international bodies of which one or more EU Member States are members, by any other State of the OECD, by Singapore or any member state of the G20, the Company may invest 100% of the assets of the Target Fund in such securities provided that the Target Fund must hold securities from at least six different issues and securities from one issue must not account for more than 30% of the Target Fund's net assets.

e) The Company or the Target Fund may not invest in voting shares of companies allowing it to exercise a significant influence in the management of the issuer. Further, the Company may acquire no more than (i) 10% of the non-voting shares of any single issuing body, (ii) 10% of the debt securities of any single issuing body, (iii) 25% of the units of any single collective investment undertaking, (iv) 10% of the money market instruments of any single issuing body. However, the limits laid down under (ii), (iii) and (iv) may be disregarded at the time of acquisition if, at that time, the gross amount of the bonds or of the money market instruments or the net amount of the instruments in issue cannot be calculated.

The limits under this section e) shall not apply to (i) transferable securities or money market instruments issued or guaranteed by a Member State, its local authorities, or public international bodies of which one or more Member States are members or by any other State, nor to (ii) shares held by the Company in the capital of a company incorporated in a State which is not a Member State investing its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Company can invest in the securities of issuing bodies of that State, provided that, however, the Company, in its investment policy, complies with the limits laid down in Articles 43 and 46 and in paragraphs (1) and (2) of Article 48 of the Law of 17 December 2010.

f) (i) Unless otherwise provided in the investment policy of the Target Fund, the Target Fund will not invest more than 10% of its net assets in UCITS and other UCIs.

(ii) In the case restriction f) (i) above is not applicable to the Target Fund, as provided in its investment policy, the Target Fund may acquire units of UCITS and/or other UCIs referred to in paragraph 1. a) (v), provided that no more than 20% of the Target Fund's net assets be invested in the units of a single UCITS or other UCI.

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

(iii) Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of the Target Fund.

(iv) When the Target Fund invests in the units of UCITS and/or other UCIs linked to the Company by common management or control, or by a substantial direct or indirect holding, no subscription or redemption fees may be charged to the Company on account of its investment in the units of such other UCITS and/or UCIs.

In respect of the Target Fund's investments in UCITS and other UCIs linked to the Company as described in the preceding paragraph, the total management fee (excluding any performance fee, if any) charged to the Target Fund and each of the UCITS or other UCIs concerned shall not exceed 2% of the value of the relevant investments. The Company will indicate in its annual report the total management fees charged both to the Target Fund and to the UCITS and other UCIs in which the Target Fund has invested during the relevant period.

(v) The Company may acquire no more than 25% of the units of the same UCITS and/or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a UCITS or other UCI with multiple compartments, this restriction is applicable by reference to all units issued by the UCITS/UCI concerned, all compartments combined.

(vi) The underlying investments held by the UCITS or other UCIs in which the Target Fund invests do not have to be considered for the purpose of the investment restrictions set forth under 1. d) above.

g) The Target Fund may subscribe, acquire and/or hold shares to be issued or issued by one or more other funds without the Target Fund being subject to the requirements of the law of 10 August 1915 on commercial companies (as amended) with respect to the subscription, acquisition and/or the holding by a company of its own shares, under the conditions however that:

   (i) The target fund does not, in turn, invest in the Target Fund invested in this target fund; and
   (ii) No more than 10% of the assets that the target fund whose acquisition is contemplated may be invested in units of UCITS and/or other UCIs; and
   (iii) Voting rights, if any, attaching to the shares of the target fund are suspended for as long as they are held by the Target Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
   (iv) In any event, for as long as these shares are held by the Target Fund, their value will not be taken into consideration for the calculation of the net assets of the Target Fund for the purposes of verifying the minimum threshold of the net assets imposed by the Law of 17 December 2010; and
   (v) There is no duplication of management/entry or sale charges between those at the level of the Target Fund having invested in the target fund, and this target fund.

h) The Company may not (i) acquire for the benefit of the Target Fund securities which are partly paid or not paid or involving liability (contingent or otherwise) unless according to the terms of issue such securities will or may at the option of the holder become free of such liabilities within one year of such acquisition and (ii) underwrite or subunderwrite securities of other issuers for the Target Fund.

i) The Company may not purchase or otherwise acquire any investment in which the liability of the holder is unlimited.

j) The Company may not purchase securities or debt instruments issued by the Investment Managers or any connected person or by the Management Company.

k) The Company may not purchase any securities on margin (except that the Company may, within the limits set forth in clause 2. e) below, obtain such short term credit as may be necessary for the clearance of purchases or sales of securities) or make uncovered sales of transferable securities, money market instruments or other financial instruments referred to above; except that the Company may make initial and maintenance margin deposits in respect of futures and forward contracts (and options thereon).

2.2.2. INVESTMENT IN OTHER ASSETS

a) The Company may not purchase real estate, nor acquire any options, rights or interest in respect thereof, provided that the Company may invest for the account of the Target Fund in securities secured by real estate or interest therein or in securities of companies investing in real estate.

b) The Company may not make investments in precious metals or certificates representing them.

c) The Company may not enter into direct commodities transactions or commodity contracts, except that the Company may, in order to hedge risk, enter into financial futures on such transactions within the limits laid down in clause 3 below.

d) The Company may not make loans to other persons or act as a guarantor on behalf of third parties or assume, endorse or otherwise become directly or contingently liable for, or in connection with, any obligation or indebtedness or any person in respect of borrowed monies, provided that for the purpose of this restriction:
   (i) the acquisition of bonds, debentures or other corporate or sovereign debt obligations (whether wholly or partly paid) and investment in securities issued or guaranteed by a member country of the OECD or by any supranational institution, organization or authority, short-term commercial paper, certificates of deposit and bankers' acceptances of prime issuers or other traded debt instruments shall not be deemed to be the making of a loan; and

(ii) the purchase of foreign currency by way of a back-to-back loan shall not be deemed to be the making of a loan.

e) The Company may not borrow for the account of the Target Fund, other than amounts which do not in aggregate exceed 10% of the net assets of the Target Fund, taken at market value and then only as a temporary measure. The Company may, however, acquire foreign currency by means of a back-to-back loan.

f) The Company may not mortgage, pledge, hypothecate or in any manner transfer as security for indebtedness, any of the securities or other assets of the Target Fund, except as may be necessary in connection with the borrowings mentioned in clause e) above. The purchase or sale of securities on a when-issued or delayed-delivery basis, and collateral arrangements with respect to the writing of options or the purchase or sale of forward or futures contracts are not deemed the pledge of the assets.

2.2.3. FINANCIAL DERIVATIVE INSTRUMENTS

The Company may use financial derivative instruments for investment, hedging and efficient portfolio management purposes, within the limits of the Law of 17 December 2010. Under no circumstances shall the use of these instruments and techniques cause the Target Fund to diverge from its investment policy.

The Target Fund may invest in financial derivative instruments within the limits laid down in clause 1. a) (vii) provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in clause 1. d) (i) to (v). When the Target Fund invests in index-based financial derivative instruments, these investments do not have to be combined in respect of the limits laid down in clause 1. d). When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this restriction.

The Company on behalf of the Target Fund may only choose swap counterparties that are first class financial institutions selected by the Board of Directors and that are subject to prudential supervision and belonging to the categories approved by the *Commission de Surveillance du Secteur Financier* ("CSSF") for the purposes of OTC derivative transactions and specialised in these types of transactions.

As the case may be, collateral received by the Target Fund in relation to OTC derivative transactions may offset net exposure to the counterparty if it complies with the criteria set out in applicable laws, regulations and circulars issued by the CSSF from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability as further set out below. Collateral primarily consist of cash and highly rated sovereign bonds. Collateral value is reduced by a percentage (a "haircut") which provides for short term fluctuations in the value of the collateral. The types of asset used as eligible collateral exchanged will vary based on the agreement with each counterparty, and typically consist of cash, US Treasury bills or US government agency bonds supported by the full faith and credit of the US government and/or core Eurozone sovereign or agency debt. The eligible collateral and corresponding haircut used for each type of asset is consistent with the requirements of Commission Delegated Regulation (EU) 2016/2251 of 4 October 2016 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories with regard to regulatory technical standards for risk-mitigation techniques for OTC derivative contracts not cleared by a central counterparty (more commonly referred to as the "EU uncleared OTC derivatives margin regulation"), as may be amended or supplemented from time to time. Net exposures are calculated daily by counterparty and are subject to the terms of the agreements, which include a minimum transfer amount which is typically less than Euro 500,000., The minimum transfer amount provides a threshold, below which, no collateral is exchanged. If the counterparty's net exposure to the Fund exceeds the minimum transfer amount the Fund will be required to post collateral to the counterparty. Collateral levels may fluctuate between the Target Fund and the counterparty depending on the market movement of the exposure.

Non-cash collateral received is not sold, reinvested or pledged. Cash collateral may be reinvested is reinvestment is consistent with the provisions established in the Credit Support Annex ("CSA") of the International Swaps and Derivatives Association Master Agreement ("ISDA Master Agreement") executed with the relevant counterparty and provided that any reinvestment is consistent with the risk diversification requirements detailed in Appendix B "Investment Restrictions" in (a) shares of the Prospectus for the Target Fund or units issued by short term money market undertakings for collective investment as defined in the Guidelines on a Common Definition of European Money Market Funds, (b) deposits with credit institutional having its registered office in a Member State or with a credit institution situated in a non-Member State provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law, (c) high quality government bonds that are deemed eligible collateral according to the terms of the CSA of the ISDA Master Agreement, and (d) reverse repurchase agreement transactions provided the transactions are with credit institutions subject to the prudential supervision and the Company may recall at any time the full amount of cash on accrued basis. The Company has policies with respect to the reinvestment of collateral (specifically, that derivatives or other instruments that may contribute to leverage may not be used) such that it would not impact the Global Exposure calculation.

In accordance with the criteria laid down in the precedent paragraph, the Target Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by any EU Member State, its local authorities, or public international bodies of which one or more EU Member States are members, by any other State of the OECD, by Singapore or any member state of the G20, provided that such Fund holds securities at least from six different issues and that any single issue must not account for more than 30% of such Fund's net assets.

The Global Exposure relating to financial derivative instruments is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions.

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

Currency Hedging
The Company may, in respect of the Target Fund, for the purpose of hedging currency risks, have outstanding commitments in forward currency contracts, currency futures, written call options and purchased put options on currencies and currency swaps either quoted on an exchange or dealt in on a regulated market or entered into with highly rated financial institutions.

Subject to the implementation of the currency hedging techniques below, commitments in one currency may not exceed the aggregate value of securities and other assets held by the Target Fund denominated in such currency (or other currencies that fluctuate in a substantially similar manner to such currency).

In this context, the Company may, in respect of the Target Fund, engage in the following currency hedging techniques:

- hedging by proxy, i.e. a technique whereby the Target Fund effects a hedge of the reference currency of the Target Fund (or benchmark or currency exposure of the assets of the Target Fund) against exposure in one currency by instead selling (or purchasing) another currency closely related to it, provided however that these currencies are indeed likely to fluctuate in the same manner. Guidelines followed in determining that one currency moves in a substantially similar manner to another currency include the following: i) the correlation of one currency to another currency is proven over a significant period of time to be over 85%; ii) the two currencies are, by explicit government policy, scheduled to participate in European Monetary Union (Eurozone countries) on a set future date (which would include using the euro itself as a proxy for hedging bond positions denominated in other currencies scheduled to become part of the euro on a set future date); and iii) the currency used as the hedging vehicle against the other currency is part of a currency basket against which the central bank for that other currency explicitly manages its currency within a band or corridor that is either stable or sloping at a predetermined rate.

- cross–hedging, i.e. a technique whereby the Target Fund sells a currency to which it is exposed and purchases more of another currency to which the Target Fund may also be exposed, the level of the base currency being left unchanged, provided however that all such currencies are currencies of the countries which are at that time within the Target Fund's benchmark or investment policy and the technique is used as an efficient method to gain the desired currency and asset exposures.

- anticipatory hedging, i.e. a technique whereby the decision to take a position on a given currency and the decision to have some securities held in the Target Fund's portfolio denominated in that currency are separate, provided however that the currency which is bought in anticipation of a later purchase of underlying portfolio securities is a currency associated with those countries which are within the Target Fund's benchmark or investment policy.

<u>Total return swaps transactions</u>

The Target Fund which is authorised as per its investment policy to invest in total return swaps but which does not enter into such transactions as of the date of this Prospectus may however enter into total return swaps transactions provided that the maximum proportion of the net assets of that Fund that could be subject to such transactions does not exceed 30% and that the relevant section relating to the Target Fund is updated accordingly at the next available opportunity. In such cases, the counterparty to the transaction will be a counterparty approved and monitored by the Management Company or the Investment Manager. At no time will a counterparty in a transaction have discretion over the composition or the management of the Target Fund's investment portfolio or over the underlying of the total return swap. While there are no predetermined legal status or geographical criteria applied in the selection of the counterparties, these elements are typically taken into account in the selection process.

The following types of assets can be subject to total return swaps: equity, currency and/or commodity indices (such as, but not limited to Morgan Stanley Balanced Ex Energy Index, Morgan Stanley Balanced Ex Grains Index, Morgan Stanley Balanced Ex Industrial Metals Index, Morgan Stanley Balanced Ex Precious Metals Index or Morgan Stanley Balanced Ex Softs Index), volatility variance swaps as well as fixed income, most notably high yield corporate and bank loan related exposures.

The risk of counterparty default and the effect on investors returns are more fully described under section "Risk Considerations" of the Prospectus.

Where the Target Fund enters into total return swaps transactions as of the date of this Prospectus, the expected proportion of the Target Fund's net assets that could be subject to total return swaps transactions shall be calculated as the sum of notionals of the derivatives used and is set out in the "Fund information, objectives and investment policies" section of the Target Fund. If and when the Target Fund enters into total return swaps transactions, it is for the purpose of generating additional capital or income and/or for reducing costs or risks.

All revenues arising from total return swaps transactions will be returned to the Target Fund, and the Management Company will not take any fees or costs out of those revenues additional to the investment management fee for the Target Fund as set out under section "Investment Management Fees" of the Prospectus.

2.2.4. USE OF TECHNIQUES AND INSTRUMENTS RELATING TO TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS

a) Repurchase transactions and securities lending transactions

(i) Types and purpose

To the maximum extent allowed by, and within the limits set forth in, the Law of 17 December 2010 as well as any present or future related Luxembourg laws or implementing regulations, circulars and the Luxembourg supervisory authority's positions (the "Regulations"), in particular the provisions of (i) article 11 of the Grand-Ducal regulation of 8 February 2008 relating to certain definitions of the Luxembourg Law of 20 December 2002 on undertakings for collective investment and of (ii) CSSF Circulars 08/356 and 14/592, the Target Fund may for the purpose of generating additional capital or income or for reducing costs or risks (A) enter, either as purchaser or seller, into optional as well as non-optional repurchase and reverse repurchase transactions and (B) engage in securities lending transactions.

As the case may be, collateral received by the Target Fund in relation to any of these transactions may offset net exposure by the counterparty if it complies with the criteria set out in applicable laws, regulations and circulars issued by the CSSF from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability as further set out below.

The form and nature of the collateral will primarily consist of cash and highly rated sovereign fixed income securities that meets particular ratings criteria and will be equal to or greater than the value of the securities lent. Eligible collateral for securities lending transactions would be negotiable debt obligations (collectively "AA - Level Sovereign Bonds") issued by governments (such as Australia, Belgium, Canada, Denmark, France, Germany, the Netherlands, Norway, New Zealand, Sweden, Switzerland, the United States, the United Kingdom, etc.), having a credit rating of at least AA- from S&P and/or Aa3 from Moody's, respectively and denominated in the official currency of the relevant country and issued on the relevant domestic market (but excluding derivatives of other securities and inflation-linked securities). The collateral received by the Company in respect of repurchase agreements transactions may be US Treasury bills or US government agency bonds supported by the full faith and credit of the US government and/or core Eurozone sovereign debt rated AA- or above. Acceptable tri-party collateral to the Custodial Undertaking in connection with the Master Repurchase agreement include, US Treasuries (Bill, Notes, and Bonds), and the following Government Sponsored Agencies: Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corp (FHLMC), and Federal Farm Credit System (FFCB).

The collateral shall have a final maturity of no more than 5 years from the date the repurchase transaction is entered.

The value of the securities shall also be equal to, or greater than, 102% of the amount of the repurchase transaction. Collateral value is reduced by a percentage (a "haircut") which provides for short term fluctuations in the value of the collateral as further detailed in the table below in section (iv) Collateral. Net exposures are calculated daily by the counterparty and subject to the terms of the agreements, including a minimum transfer amount, collateral levels may fluctuate between the Target Fund and the counterparty depending on the market movement of the exposure.

Non-cash collateral received is not sold, reinvested or pledged.

Cash collateral received by the Target Fund in relation to any of these transactions may be reinvested in a manner consistent with the investment objectives of the Target Fund and with the risk diversification requirements detailed in Appendix B "Investment Restrictions" in (a) shares or units issued by short term money market undertakings for collective investment as defined in the Guidelines on a Common Definition of European Money Market Funds, (b) deposits with credit institutional having its registered office in a Member State or with a credit institution situated in a non-Member State provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law, (c) high quality government bonds, and (d) reverse repurchase agreement transactions provided the transactions are with credit institutions subject to the prudential supervision and the Company may recall at any time the full amount of cash on accrued basis. The Company has policies with respect to the reinvestment of collateral (specifically, that derivatives or other instruments that may contribute to leverage may not be used) such that it would not impact the Global Exposure calculation.

In accordance with the criteria laid down in the precedent paragraph, the Target Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by any EU Member State, its local authorities, or public international bodies of which one or more EU Member States are members, by any other State of the OECD, by Singapore or any member state of the G20, provided that the Target Fund holds securities at least from six different issues and that any single issue must not account for more than 30% of the Target Fund's net assets.

(ii) Limits and conditions

– **Securities lending transactions**

Unless otherwise provided in the Target Fund's investment policy, the Target Fund may utilise up to 50% of its assets for securities lending transactions. The volume of the securities lending transactions of the Target Fund shall be kept at an appropriate level or the Target Fund shall be entitled to request the return of the securities lent in a manner that enables it, at all times, to meet its redemption obligations and that these transactions do not jeopardise the management of the Target Fund's assets in accordance with its investment policy. The counterparties to securities lending transactions must have a minimum credit rating of A- or better, as rated by Standard & Poor's, Moody's or Fitch, at the time of the transactions. While there are no predetermined legal status or geographical criteria applied in the selection of the counterparties, these elements are typically taken into account in the selection process.

When entering into securities lending transactions, the Target Fund must also comply with the following requirements:

(i) The borrower in a securities lending transaction must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law;

(ii) The Target Fund may lend securities to a counterparty directly (A) itself or (B) as part of a standardised lending system organised by a recognised clearing house or by a first-class financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those provided by EU law and specialised in this type of transaction. Goldman Sachs International Bank and JPMorgan Chase Bank, N.A., London Branch, shall act as lending agents for securities lending on behalf of the Target Fund;

(iii) The Target Fund may only enter into securities lending transactions provided that it is entitled at any time under the terms of the agreement to request the return of the securities lent or to terminate the agreement;

As of the date of this Prospectus, equity securities is the only type of assets subject to securities lending transactions.

Where the Target Fund enters into securities lending transactions as of the date of this Prospectus, the expected proportion of the Target Fund's net assets that could be subject to securities lending transactions is set out in the "Fund information, objectives and investment policies" section of the Target Fund.

The Target Fund that does not enter into securities lending transactions as of the date of this Prospectus has therefore a 0% expected proportion of use into these transactions, it being noted that the Target Fund may however enter into securities lending transactions provided that the maximum proportion of the net assets of the Target Fund that could be subject to such transactions does not exceed 50% and that the relevant section relating to the Target Fund is updated accordingly at the next available opportunity.

The risks related to the use of securities lending transactions and the effect on investors returns are more fully described under section "Risk Considerations" of the Prospectus of the Target Fund.

– **Repurchase and reverse repurchase agreement transactions**

Unless otherwise provided in the Target Fund's investment policy, the Target Fund may utilise up to 50% of its assets for repurchase agreement transactions, but the Target Fund's exposure to any single counterparty in respect of repurchase agreement transactions is limited to (i) 10% of its assets where the counterparty is a credit institution having its registered office in an EU Member State or subject to equivalent prudential rules, and (ii) 5% of its assets in other cases. The counterparties to repurchase agreement transactions must have a minimum credit rating of A- or better, as rated by Standard & Poor's, Moody's or Fitch, at the time of the transactions. While there are no predetermined legal status or geographical criteria applied in the selection of the counterparties, these elements are typically taken into account in the selection process. The volume of the repurchase agreement transactions of the Target Fund shall be kept at a level such that the Target Fund is able, at all times, to meet its redemption obligations towards shareholders. Further, the Target Fund must ensure that, at maturity of the repurchase agreement transactions, it has sufficient assets to be able to settle the amount agreed with the counterparty for the restitution of the securities to the Target Fund. Any incremental income generated from repurchase agreement transactions will be accrued to the Target Fund.

The following types of assets can be subject to repurchase agreement transactions: sovereign debt, corporate and government bonds, non-agency residential mortgage-backed securities and commercial mortgage-backed securities, possibly other asset-backed securities.

Where the Target Fund enters into repurchase agreement transactions as of the date of the Target Fund Prospectus, the expected proportion of the Target Fund's net assets that could be subject to repurchase agreement transactions is set out in the "Fund information, objectives and investment policies" section of the Target Fund.

The Target Fund that does not enter into repurchase agreement transactions as of the date of the Target Fund Prospectus has therefore a 0% expected proportion of use into these transactions, it being noted that the Target Fund may however enter into repurchase agreement transactions provided that the maximum proportion of the net assets of the Target Fund that could be subject to such transactions does not exceed 50% and that the Target Fund policy is updated accordingly at the next available opportunity.

The following types of assets can be subject to reverse repurchase agreement transactions: sovereign debt, corporate and government bonds, non-agency residential mortgage-backed securities and commercial mortgage-backed securities, possibly other asset-backed securities.

Where the Target Fund enters into reverse repurchase agreement transactions as of the date of this Prospectus, the expected proportion of the Target Fund's net assets that could be subject to reverse repurchase agreement transactions is set out in the "Fund information, objectives and investment policies" section of the Target Fund.

The Target Fund that does not enter into reverse repurchase agreement transactions as of the date of the Target Fund Prospectus has therefore a 0% expected proportion of use into these transactions, it being noted that the Target Fund may however enter into reverse repurchase agreement transactions provided that the maximum proportion of the net assets of the Target Fund that could be subject to such transactions does not exceed 50% and that the Target Fund policy is updated accordingly at the next available opportunity.

– **Costs and revenues of securities lending and/or repurchase and/or reverse repurchase agreement transactions**

Direct and indirect operational costs and fees arising from securities lending transactions and/or repurchase and/or reverse repurchase agreement transactions may be deducted from the revenue delivered to the Target Fund. These costs and fees shall not include hidden revenue. All the revenues arising from such transactions, net of direct and indirect operational costs, will be returned to the Target Fund. The annual report of the Company shall contain details of the revenues arising from securities lending transactions and/or repurchase agreement and/or reverse repurchase transactions for the entire reporting period together with the direct and indirect operational costs and fees incurred. The entities to which direct and indirect costs and fees may be paid include banks, investment firms, broker-dealers or other financial institutions or intermediaries and may be related parties to the Management Company and/or the Depositary Bank.

All revenues arising from repurchase and/or reverse repurchase agreement transactions will be returned to the Target Fund, and the Management Company will not take any fees or costs out of those revenues additional to the investment management fee for the Target Fund as set out under section "Investment Management Fees" of the Target Fund Prospectus.

The securities lending agent receives a fee of up to 10% of the gross revenue generated as a result of the lent securities for its services, the remainder of the revenue being received and retained by the Target Fund. Any incremental income generated from securities lending transactions will be accrued to the Target Fund.

(i) Conflicts of Interest

No conflicts of interest to note. The Investment Manager of the Target Fund does not intend to lend the securities of the Target Fund to its related corporations.

(ii) Collateral

Collateral received by the Target Fund may be used to reduce its counterparty risk exposure if it complies with the criteria set out in applicable laws, regulations and circulars issued by the CSSF from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability. In particular, collateral should comply with the following conditions:

a) Any collateral received other than cash should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;
b) It should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
c) It should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
d) It should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure of 20% of the Target Fund's NAV to any single issuer on an aggregate basis, taking into account all collateral received. By way of derogation, the Target Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a EU Member State, one or more of its local authorities, a third country, or a public international body to which one or more EU Member States belong. In such event, the Target Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Target Fund's NAV;
e) It should be capable of being fully enforced by the Target Fund at any time without reference to or approval from the counterparty;
f) Where there is a title transfer, the collateral received will be held by the Depositary in accordance with the Depositary's safekeeping duties under the Depositary Agreement. For other types of collateral arrangements, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
g) Collateral received shall have a quality of credit of investment grade.

Collateral will be valued on each valuation day, using the last available market prices as per ISDA guidelines and taking into account appropriate discounts determined for each asset class based on the applicable haircut policy. The Collateral will be marked to market daily and depending on the current market exposure and collateral balance, the collateral may be subject to variation margin movement when and if certain predetermined thresholds are crossed

The following haircuts for collateral are applied by the Management Company it being noted that the latter reserves the right to vary this policy at any time:

Eligible Collateral	Haircut
Cash	100%
US Treasury - 1 year or less	97%-100%
US Treasury -1 year to 5 years	95% - 100%
US Treasury - 5 years or greater	95%-100%
US Treasury -5 year to 10 years	95%-100%
US Treasury - 10 years to 30 years	90%-100%
Detailed information on Sovereign Bonds	**Haircut**
Sovereign Bonds - less than 1 year	99%-100%
Sovereign Bonds - 1 to 2 years	95-100%
Sovereign Bonds - 2 to 5 years	95-100%
Sovereign Bonds - 5 to 10 years	90-100%
Sovereign Bonds - 10 to 20 years	N/A
Sovereign Bonds- 20 to 30 years	85-100%

Haircut levels are agreed on a counterparty by counterparty basis and reflected in CSA to ISDA guidelines. Haircut levels are monitored and reconciled on an ongoing basis (through collateral management systems) to identify any variation of the agreed applicable haircut policy. Application of different (non-agreed) haircut level impacting collateral valuation is escalated with the relevant counterparty. Haircut levels may additionally be amended due to a change in creditworthiness of a given counterparty.

2.2.5. ADDITIONAL LOCAL RESTRICTIONS

a) If and for so long as the Target Fund is authorised by the Financial Services Board in South Africa, the following shall apply:
   (i) the Target Fund may borrow up to 10% of its NAV, but only on a temporary basis for the purpose of meeting sale requests, subject always to the borrowing limit in clause 2. e) above;

   (ii) if and for so long as the Target Fund invests in equity or equity-related securities, 90% of such equity or equity-related securities shall only be invested in stock exchanges having obtained full membership of the World Federation of Exchanges or stock exchanges to which the manager has applied (and which have satisfied the requirements of), amongst other things, the due diligence guidelines as determined by the registrar;

   (iii) if and for so long as the Target Fund invests in debt instruments or other eligible instruments, 90% of such instruments must have a credit rating of “investment grade” by Standard & Poor’s, Moody’s or Fitch Ratings Limited; however, in respect of the Target Fund, no investment into non-investment grade debt securities will be made.

   (iv) the Target Fund may hold units of other UCITS or UCIs, provided that such UCITS or UCIs have a risk profile which is not significantly riskier than the risk profile of other underlying securities which may be held by the Target Fund;

   (v) derivative instruments will be used within the limits stated above. No gearing, leveraging and/or margining shall be permitted. Derivative instruments will not be used to leverage the Fund's portfolio and will be covered at all times. No uncovered positions shall be permitted;

   (vi) the Target Fund shall not invest in a fund of funds or a feeder fund;

   (vii) insofar the 10% limit set forth in paragraph 1. f) (i) is not applicable to a specific fund, no more than 20% of the Target Fund's net assets may be invested in the units of a single UCITS or other UCI referred to in paragraph 1. a) (v);

   (viii) no scrip borrowing shall be permitted; and

   (ix) the Target Fund can enter into securities lending arrangements provided that such arrangements do not exceed 50% of the total market value of its portfolio.

b) If and for so long as the Company is authorised by the Securities and Futures Bureau in Taiwan and in respect of the Target Fund registered with it, the following shall apply:
   (i) the aggregate commitments arising from the derivative instruments may not (except with the approval of the Securities and Futures Bureau), at any time, exceed 40% of the Target Fund’s net assets and 100% for hedging purpose.

   (ii) the total amount of the Target Fund invested in the securities traded in the securities market in mainland China, including bonds circulated on the China Interbank Bond Market (CIBM), will not exceed ten percent (10%) of the then most current NAV of the Target Fund, unless otherwise determined by relevant regulator.

(iii) The total amount of the Target Fund invested in Taiwan securities shall not exceed fifty percent (50%) of the NAV of the Target Fund, or such other percentage as the Taiwan regulator may decide.

c) If and for so long the Company is authorised by the Capital Market Board in Turkey, the following shall apply:
   (i) At least 80% of the Target Fund's portfolio should be invested in assets other than the capital market instruments issued by the issuers resident in Turkey and in Turkish public debt instruments; and

   (ii) The Target Fund's should not have more than 9% of the voting rights or of capital in any corporation.

d) If and for so long as the Company is authorised by the Securities and Futures Commission of Hong Kong (the SFC) and in respect of the Target Fund authorised by it, it shall be subject to the guidelines of the SFC in respect of:
   - investment of more than 10% of the Target Fund's net assets in aggregate in China A-shares and China B-Shares;
   - investment of more than 10% of the Target Fund's net assets in securities issued and/or guaranteed by any single sovereign issuer (including its government and a public or local authority of that country) with a credit rating below investment grade;
   - Global Exposure (using the Commitment Approach) arising from the use of financial derivatives exceeding 50% of total net assets; and
   - any securities lending, repurchase, reverse repurchase agreements or other similar over-the-counter transactions.

e) To ensure eligibility for the partial tax exemption for equity funds for Investors resident in Germany, the Target Fund will invest more than 50% of its assets in equity securities as defined in Section 2 para. 8 of the German Investment Tax Act.

f) If and for so long as the Company is authorised by the Monetary Authority of Singapore (MAS) in Singapore and in respect of the Target Fund registered with it, investments in non-UCITS UCIs shall not exceed 10% of the Target Fund's total net assets.

2.3. SPECIFIC INVESTMENT RESTRICTIONS OF THE TARGET FUND

The general investment restrictions set out under the heading Investment Restrictions in the Target Fund Prospectus and the following investment restrictions shall apply to the Target Fund:

1) The credit rating for the counterparty of OTC derivatives will be at least investment grade. In the event the rating of the counterparty falls below the minimum required, or the counterparty ceases to be rated, the Target Fund manager should, within 6 months or sooner, takes the necessary action to ensure that the requirements are complied with.

2) The Target Fund may borrow cash for the purpose of meeting repurchase requests for shares and for short-term bridging requirements only. The aggregate borrowings of the Target Fund will not exceed 10% of the Target Fund's NAV at the time the borrowing is incurred. The borrowing period will not exceed one month, and the Target Fund will only borrow from financial institutions. The Management Company must ensure the Target Fund is able to meet its payment and delivery obligations incurred under transactions in derivative, whether for hedging or for investment purposes, at all times.

3) The Target Fund's investments in transferable securities (other than debentures) must not exceed 10% of the securities issued by any single issuer. The Target Fund's investments in debentures must not exceed 20% of the debentures issued by any single issuer. Other than money market instruments that do not have a pre-determined issue size, the Target Fund's investments in money market instruments must not exceed 10% of the instruments issued by any single issuer. The Target Fund's investments in CIS must not exceed 25% of the units/shares in any one CIS.

4) The Target Fund manager should not make any further acquisition to which the relevant limit is breached, and the Target Fund manager should, within reasonable period of not more than 3 months from the date of breach, take all necessary steps and action to rectify the breach. The 3-month period may be extended if the trustee or the internal compliance of the Target Fund manager is of the view that it is in the best interests of unit holders.

5) The Target Fund may lend securities to a counterparty directly or via a securities lending agent that is a financial institution that has minimum top three long-term credit rating provided by a global rating agency provided that the collateral:
   a) is not issued by the counterparty or any of its related corporations;
   b) will be held by the depositary of the Target Fund or the securities lending agent;
   c) is legally secured from the consequences of the failure of the counterparty or agent;
   d) is readily accessible or enforceable by the depositary of the Target Fund without further recourse to the counterparty of the securities lending transaction; and
   e) is free from all prior encumbrances
   f) may consist of equity securities is circumstances provided, in addition to the above restrictions:
      (iii) a standardised lending system is used to lend securities, and that standardised lending system permits equity securities to be used as collateral;
      (iv) the equity securities do not contain an embedded derivative;
      (v) they are marked-to-market daily using an independent pricing source;
      (vi) they are sufficiently liquid and tradeable;

(vii) their value has no significant correlation to the creditworthiness of the counterparty; and
(viii) they are subject to a prudent haircut policy.

6) The Target Fund will only invest in derivatives where the global exposure of such derivatives is calculated using the commitment approach methodology.

7) The exposure to a counterparty of an OTC derivative must be measured based on the maximum potential loss that may be incurred by the Target Fund if the counterparty defaults and not on the basis of the notional value of the OTC derivative.

8) The maximum exposure of the Target Fund to any counterparty (calculated using the commitment approach methodology) will not exceed 10% of the NAV of the Target Fund.

9) The Target Fund will not invest in derivatives where the underlying is a commodity.

10) Collateral is marked-to-market daily by using independent pricing source.

11) Collateral must be sufficiently liquid and tradable in order that it can be sold quickly at a robust price that is close to pre-sale valuation. Collateral should normally trade in a deep and liquid marketplace with transparent pricing.

12) The value of the Target Fund's investment in units or shares of a CIS that invests in real estate (including REITs) will not exceed 15% of the Target Fund's NAV.

13) The aggregate value of the Target Fund's investments in:
(a) transferable securities that are not traded or dealt in or under the rules of an eligible market,
(b) CIS that do not comply with UCTIS rules, and
(c) Other securities including unlisted shares, investment notes, and digital assets,

must not exceed 15% of the Target Fund's NAV, subject to a maximum limit of 10% of the Target Fund's NAV in a single issuer or single CIS, as the case may be.

2.4. REDEMPTION POLICY

Payment for shares sold will be made within three (3) dealing days (or such other timeframe as set out in the local fund related documentation or applicable dealing guide) after the instruction to sell has been received in good order and accepted by the transfer agent and will normally be made in the share class currency by electronic bank transfer of funds unless otherwise instructed. The Target Fund Management Company, after careful due diligence, are not responsible for any delays or charges incurred at any receiving bank or settlement system, nor are they responsible for delays in settlement which may occur due to the time required for local processing of payments within some countries or by certain banks, local correspondent banks, payment agents or other agents. Payment may also be made in any freely exchangeable currency if requested within the instruction, at the cost and risk of the Investor.

If, in exceptional circumstances as described in sections 2.5, 2.6, 2.7 and 2.8 below, the liquidity of the Target Fund does not permit payment of redemption proceeds within three (3) dealing days from the relevant valuation day, the redemption proceeds will be paid as soon as reasonably practicable but without interest.

All payments are made at the investor's risk with no responsibility on the part of the distributors, the Target Fund Investment Manager and the Target Fund Management Company.

2.5. REDEMPTION OF SHARES

The Company reserves the right not to be bound to accept the redemption or switch on any valuation day more than 10% of the value of the shares of the Target Fund. In these circumstances the redemption of the shares may be deferred for a period not exceeding ten (10) Luxembourg business days. These instructions to sell will be executed in priority to later instructions.

2.6. SWING PRICING ADJUSTMENT

The Target Fund may suffer reduction of the NAV per share due to Investors purchasing, selling and/or switching in and out of the Target Fund at a price that does not reflect the dealing costs associated with the Target Fund's portfolio trades undertaken by the Investment Manager to accommodate cash inflows or outflows.

In order to counter this dilution impact and to protect shareholders' interests, a swing pricing mechanism may be adopted by the Company as part of its valuation policy.

If on any valuation day, the aggregate net investor(s) transactions in shares of the Target Fund exceed a pre-determined threshold (which may be close to, or at zero), as determined as a percentage of the net assets of the Target Fund from time to time by the Board of Directors based on objective criteria, the NAV per share may be adjusted upwards or downwards to reflect the costs attributable to net inflows and net outflows respectively. The net inflows and net outflows will be determined by the Company based on the latest available information at the time of calculation of the NAV.

Investors are advised that the volatility of the Target Fund's NAV might not reflect the true portfolio performance as a consequence of the application of swing pricing. Typically, such adjustment will increase the NAV per share when there are net inflows into the Target Fund and decrease the NAV per share when there are net outflows. The NAV per share of each share class in the Target Fund will be calculated separately but any adjustment will, in percentage terms, affect the NAV per share of each share class in the Target Fund identically.

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

The swing pricing mechanism may be applied to the Target Fund. The extent of the price adjustment will be reset by the Company on a periodic basis to reflect an approximation of current dealing and other costs. Such adjustment may vary from fund to fund and will not exceed 2% of the original NAV per share.

The price adjustment is available on request from the Management Company at its registered office.

2.7. SUSPENSION OF CALCULATION OF NET ASSET VALUE

The Company may suspend the determination of the NAV of the shares of the Target Fund and the purchase and sale of the shares and the switch of shares from and to the Target Fund during:

a) any period when any of the principal stock exchanges or markets of which any substantial portion of the investments of the Company attributable to the Target Fund from time to time are quoted is closed, or during which dealings therein are restricted or suspended; or

b) the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of assets owned by the Company attributable to the Target Fund would be impracticable; or

c) any breakdown or restriction in the means of communication normally employed in determining the price or value of any of the investments of the Target Fund or the current price or values on any stock exchange or market; or

d) any period when the Company is unable to repatriate funds for the purpose of making payments due on sale of such shares or any period when the transfer of funds involved in the realisation or acquisition of investments or payments due on sale of such shares cannot, in the opinion of the Board of Directors, be effected at normal rates of exchange; or

e) any period when the NAV of shares of the Target Fund may not be determined accurately; or

f) during any period when in the opinion of the Board of Directors there exists unusual circumstances where it would be impractical or unfair towards the Investors to continue dealing in the shares of the Target Fund or circumstances where a failure to do so might result in the Investors or the Target Fund incurring any liability to taxation or suffering other pecuniary disadvantage or other detriment which the Investors or the Target Fund might not otherwise have suffered; or

g) if the Company or the Target Fund is being or may be wound-up, on or following the date on which such decision is taken by the Board of Directors or notice is given to shareholders of a general meeting at which a resolution to wind-up the Company or the Target Fund is to be proposed; or

h) in the case of a merger, if the Board of Directors deems this to be justified for the protection of the shareholders; or

i) in the case of a suspension of the calculation of the NAV of one or several underlying investment funds in which the Target Fund has invested a substantial portion of assets.

Any such suspension shall be publicised by the Company and shall be notified to shareholders requesting sale or switching of their shares by the Company at the time of the filing of the irrevocable written request for such sale or switch.

Should any of the above events occur, the Target Fund may not be able to pay the withdrawal proceeds to you within ten (10) days.

2.8. TARGET FUND SOFT CLOSURE

The Target Fund, or its share class, may be closed to new investors or to all new subscriptions or switches in (but not to redemptions, switches out or transfers) if, in the opinion of the Management Company, closing is necessary to protect the interests of existing shareholders. Without limiting the circumstances where closing may be appropriate, one such circumstance would be where the Target Fund has reached a size such that the capacity of the market and/or the capacity of the Target Fund

Investment Manager has been reached, and where to permit further inflows would be detrimental to the performance of the Target Fund. The Target Fund, or its share class, may be closed to new investors or all new subscriptions or switches in without notice to shareholders.

Notwithstanding the above, the Management Company may allow, at its discretion, the continuation of subscriptions from regular savings schemes on the basis that these types of flows present no challenge with respect to capacity. Once closed, the Target Fund or its share class will not be re-opened until, in the opinion of the Management Company, the circumstances which required closure no longer prevail. Shareholders and potential investors should confirm with the Company, the Management Company or the distributor(s) or check the website for the current status of Target Fund or its share classes.

2.9. SPECIFIC RISKS OF THE TARGET FUND

Please refer to "Specific Risks Related to the Target Fund" section at page 6 for details.

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

FEES/EXPENSES	
Initial Charge	Nil.
Management Fee	0.70% per annum. ***Note:*** *The management fee charged by the Target Fund will be paid out of the Management Fee charged by us at the Fund level. You will incur a Management Fee at the Fund's level only and there is no double charging of management fee.*
Redemption Fee	Nil.
Performance Fee	Nil.

Note: *For more information about Target Fund Prospectus and supplement, please refer to the website at www.franklintempleton.lu.*

3. FEES, CHARGES AND EXPENSES

3.1. CHARGES

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

3.1.1. Application Fee

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

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

	Class ABC (Denominated in 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)	5.50%	5.50%
Units issued to Unit holder = Investment amount / NAV per unit	= MYR 10,000.00 / MYR 1.0000 = 10,000 units	= USD 10,000.00 / 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 5.5% = MYR 550.00	= 10,000 units x USD 1.0000 x 5.5% = USD 550.00

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

3.1.2. Withdrawal Fee

Nil.

3.1.3. Switching Fee

Switching is treated as a withdrawal from a Class/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 administrative fee for every switch. Please refer to the Annexure of the respective Class for further information.

3.1.4. Transfer Fee

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

3.2. FEES AND EXPENSES

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

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

3.2.1. Management Fee

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

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

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

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

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

INVESTOR → **FUND** → **TARGET FUND**

Management fee charged by us **Management fee paid to the Target Fund**

Note*: The Management Fee will only be charged once at the Fund level. The management fee charged by the Target Fund will be paid out of the Management Fee charged at the Fund level. There will not be double charging of the Management Fee. Please refer to "Fees charged by the Target Fund" section at page 27 for details on the Target Fund's management fee.*

3.2.2. Trustee Fee

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

The Trustee Fee is 0.03% per annum, calculated daily based on the NAV of the Fund.

Below is an illustration on how the Trustee Fee is calculated, assuming the NAV of the Fund is USD 150 million:-

Trustee Fee for the day	=	*NAV of the Fund x annual Trustee Fee rate for the Fund (%) / 365 days*
	=	*USD 150 million x 0.03% per annum / 365 days*
	=	*USD 123.29*

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

3.2.3. Other Expenses

The Deed also provides for payment of other expenses. The major expenses recoverable directly from the Fund include:

- expenses incurred in the sale, purchase, insurance/takaful, custody and any other dealings of investments including commissions/fees paid to brokers and costs involved with external specialists approved by the Trustee in investigating and evaluating any proposed investment;
- (where the foreign custodial function is delegated by the Trustee), charges/fees paid to the sub-custodians;
- 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) or members of a committee undertaking the oversight function of the Fund, unless we decide to bear the same;
- tax and other duties charged on that Fund by the government and other authorities if any and bank fees;
- tax agent's and auditor's fees and expenses in relation to the Fund;
- costs, fees and expenses incurred for the fund valuation and accounting of the Fund performed by a fund valuation agent;
- costs incurred in modifying the Deed for your benefit;
- cost incurred for any meeting of Unit Holders other than those convened for our benefit or the Trustee's; and
- all costs, bank charges and expenses related to income distribution of the Fund; for example, postage and printing of all cheques, statements and notices to you.

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

3.2.4. We and the Trustee are required to ensure that any fees or charges payable are reasonable and in accordance with the Deed which stipulates the maximum rate in percentage terms that can be charged. All 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.

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 Fund; and/ or (c) transactional values including but not limited to the units or amount, for any Unit holder and/or investments made via any distribution channels or platform.

3.3. REBATES AND SOFT COMMISSIONS

We and the Trustee will not retain any form of rebate or otherwise share in any commission with, any broker or dealer in consideration for directing dealings in the investments of the Fund. 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:
(a) the soft commission bring direct benefit or advantage to the management of the Fund and may include research and advisory related services;
(b) any dealing with the broker or dealer is executed on terms which are the most favourable for the Fund; and
(c) the availability of soft commissions is not the sole or primary purpose to perform or arrange transactions with such broker or dealer, and we 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 Fund.

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

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

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

4. TRANSACTION INFORMATION

4.1. VALUATION OF INVESTMENTS PERMITTED BY THE FUND

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

- **CIS**
  The value of the unlisted CIS (i.e. the Target Fund) shall be determined by reference to the last published repurchase or redemption price for the Target Fund.

- **Deposit**
  The value of Deposit shall be determined each day by reference to the principal value of such Deposit and the accrued profit thereon for the relevant period.

- **Money market instruments**
  Investments in money market instruments such as negotiable certificate of deposits are valued each day by reference to the value of such investments and the profits accrued thereon for the relevant period. Instruments such as MYR-denominated commercial papers are valued on a daily basis using the fair value prices quoted by a BPA registered with the SC.

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

If the value of the Fund's assets is denominated in a currency other than USD, the assets are translated on a daily basis to USD based on the bid foreign exchange rate quoted by either 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.

4.2. UNIT PRICING

We adopt a single pricing method for any transactions (i.e. applications, withdrawals, switches and/or transfers) based on forward prices. This means that we will process your transactions request based on the NAV per unit at the next valuation point after we receive the completed application 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 on the same 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.

We will carry out the valuation for the Classes for each Business Day on the next Business Day (T+1) by 4:00 p.m. This is to cater for the foreign currency translation 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 transaction request received by us by 4:00 p.m. on a Business Day
At the end of the Business Day on 7 October 2024 your units will be based on the NAV per unit on 7 October 2024 which will be calculated on 8 October 2024. The NAV per unit will be made known on our website after 5:30 p.m. on 8 October 2024.

For transaction request received by us after 4:00 p.m. on a Business Day
At the end of the Business Day on 7 October 2024, your units will be based on the NAV per unit on 8 October 2024, which will be calculated on 9 October 2024. The NAV per unit will be made known on our website after 5:30 p.m. on 9 October 2024.

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

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

The NAV of the Fund is the sum of the value of all investments and cash held by the Fund (calculated in accordance with the Deed) including income derived by the Fund which has not been distributed to our Unit holders, less all amounts owing or payable in respect of the Fund including any provisions that we and the Trustee 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 i.e. USD. As such, all the assets and liabilities of each Class will be translated into USD for valuation purposes. The foreign exchange rate used for this purpose shall be the bid exchange rate quoted by Bloomberg or Refinitiv at UK time 4:00 p.m. at 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 of each Class will be the NAV of the Fund attributable to each Class divided by the number of units in circulation of that Class, at the same valuation point.

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

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

	Fund (USD)	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in MYR) (USD)
NAV of the Fund before income and expenses	185,942,897.00	173,342,897.00	12,600,000.00
% MCR	100.00%	(1)93.22%	(1)6.78%
Add: Income	30,000.00	(2)27,967.12	(2)2,032.88
Less: Expenses	(10,000.00)	(2) (9,322.37)	(2) (677.63)
Benefits or costs of hedging (if any)	-	-	900.00
NAV of the Fund before management fee and trustee fee	185,962,897.00	173,361,541.75	12,602,255.25
		1.80% p.a.	1.80% p.a.
Less: Management fee	(9,170.82)	(8,549.34)	(621.48)
	0.03% p.a.		
Less: Trustee fee	(152.85)	(142.49)	(10.36)
NAV of the Fund	185,954,473.33	173,352,849.92	12,601,623.41
Units in circulation	200,000,000 units	170,000,000 units	30,000,000 units
NAV per unit		**1.0197**	**0.4200**
Currency exchange rate		N/A	(MYR/USD) 4.00
NAV per unit		**USD 1.0197**	**MYR 1.6800**

	Fund (USD)	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in MYR) (USD)
NAV of the Fund before creation of units for the day	185,954,473.33	173,352,849.92	12,601,623.41
(3)Net subscription amount	1,300,000.00	1,000,000.00	300,000.00
Closing NAV	187,254,473.33	174,352,849.92	12,901,623.41
Units in circulation	201,694,966.30 units	170,980,680.59 units	30,595,238.10 units
NAV per unit		**1.0197**	**0.4216**
Currency exchange rate		N/A	(MYR/USD) 4.00
NAV per unit		**USD 1.0197**	**MYR 1.6864**

Note :

(1) MCR computation

	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in MYR) (USD)
NAV of the Class x 100	173,342,897.00 x 100	12,600,000.00 x 100

NAV of the Fund before income and expenses	185,942,897.00	185,942,897.00
	= 93.22%	= 6.78%

[(2)] Apportionment based on MCR is as follows:

	(USD)	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in MYR) (USD)
Add: Income	30,000.00	MCR x Income = Income for Class ABC = 93.22% x USD 30,000.00 = USD 27,967.12	MCR x Income = Income for Class XYZ = 6.78% x USD 30,000.00 = USD 2,032.88
Less: Expenses	(10,000.00)	MCR x Expenses = Expenses for Class ABC = 93.22% x USD 10,000.00 = USD 9,322.37	MCR x Expenses = Expenses for Class XYZ =6.78% x USD 10,000.00 = USD 677.63

[(3)] Net subscription amount

	Class ABC (Denominated in USD) (USD)	Class XYZ (Denominated in MYR) (USD)
Net subscription amount	USD 1,000,000.00	MYR 1,000,000.00
NAV per unit	USD 1.0197	MYR 1.6800
Number of units	980,680.59 units	595,238.10 units
Currency exchange rate	N/A	(MYR/USD) 4.00
Net subscription amount*	USD 1,000,000	USD 250,000

** 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.*

4.2.2. 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 for each Class. Please refer to the Annexure of the respective Class for the actual percentage or amount of charges.

***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 = MYR1.0000 (truncated to 4 decimal places)
Application Fee = 5.50%
You wish to invest MYR10,000 in the Fund.

*Calculation of number of units that you will receive**
= Investment amount / NAV per unit of Class XYZ
= MYR10,000.00 / MYR1.0000
= 10,000 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
= MYR1.0000 x 10,000 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 you will receive will be rounded to two (2) decimal places.*

Calculation of investment value

Assuming you have 10,000 units of Class XYZ of the Fund and the NAV per unit of Class XYZ for the Business Day is MYR1.0240 (truncated to 4 decimal places).

Calculation of investment value
= Number of units x NAV per unit of Class XYZ
= 10,000.00 units x MYR1.0240
= MYR10,240.00.

Calculation of withdrawal value and amount payable to you

Assuming you request for a 10,000 units withdrawal on the fifth month from the Commencement Date. Your withdrawal request is received by us by 4:00 p.m. on a Business Day. The NAV per unit of Class XYZ for that Business Day is RM1.0240 (truncated to 4 decimal places).*

Calculation of amount payable to you
= Number of units withdrawn x NAV per unit of Class XYZ
= 10,000 units x MYR1.0240
= MYR10,240.00

** There is no Withdrawal Fee for Class XYZ of the Fund. Hence, the amount payable to you is the withdrawal value.*

4.3. INCORRECT PRICING

We shall take immediate remedial action to rectify any incorrect valuation and/or pricing of the Class. Where such error has occurred, we shall reimburse the money in the following manner:
(a) in the event of over valuation and/or pricing, we shall reimburse:
  (i) the Class for any withdrawal of units; and/or
  (ii) you, if you have purchased units of the Class at a higher price; or
(b) in the event of under valuation and/or pricing, we shall reimburse:
  (i) the Class for any subscription of units; and/or
  (ii) you, if you have withdrawn units of the Class at a lower price.

Notwithstanding the above, unless the Trustee otherwise directs, we shall make the reimbursement, only where an incorrect pricing:
(i) is equal to or more than 0.50% of the NAV per unit; and
(ii) results in a total sum of MYR10.00 (or in the case of a foreign currency Class, 10.00 denominated in the foreign currency denomination of the Class) 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 requirements.

4.4. INVESTING

4.4.1. Who can invest?

You are eligible to invest in the Fund if you are:
- an individual who is at least eighteen (18) years of age and you 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.

4.4.2. 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 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 (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 (or foreign currency bank account, as the case may be) 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.

4.4.3. Regular Savings Plan

RSP may be made available for certain Classes. Please refer to the Annexure of the respective Class for further information. 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.

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

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

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.

4.4.5. Who is distributing this Fund?

The Fund 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 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 this fund.

4.4.6. Please take note that if your investments are made through an IUTA via a nominee system of ownership, you would not be deemed as a Unit holder under the Deed 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).

4.5. MINIMUM INVESTMENTS

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

4.5.1. Processing an application

If we receive 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.

4.6. MINIMUM WITHDRAWALS

The minimum withdrawal amount for each Class may differ and may be determined by us from time to time, unless you are withdrawing your entire investment. Please refer to the Annexure of the respective Class for further information. You may withdraw by completing a withdrawal application and submit to the relevant Distributor, Principal Malaysia's office, e-Wallet App or such other channel (where applicable). There is no restriction on the frequency of withdrawals.

4.6.1. Processing a withdrawal

If we receive a complete withdrawal request by 4:00 p.m. on a Business Day, we will process it using the NAV per unit for that Business Day. If we receive the withdrawal request after 4:00 p.m. on a Business Day, we will process it using the NAV per unit for the next Business Day (T+1). The amount that you will receive is calculated by the withdrawal value less the Withdrawal Fee, if any.

Under normal circumstances, you will be paid in the currency of the Class (e.g. Class MYR will be paid in MYR) within eleven (11) Business Days of receipt of the complete withdrawal request. This process involves the submission of the Fund's withdrawal request to the Target Fund in which the Target Fund will process within three (3) Business Days, but in any event within thirty (30) Business Days of receipt of the complete withdrawal request, should any the following events occur:
(i) the Target Fund's NAV is suspended during any period [Note 1]; or
(ii) withdrawal proceeds from the Target Fund is deferred [Note 2].

Subsequently, payment will be made to you after receipt of the withdrawal proceeds from Target Fund. Nonetheless, we will pay the withdrawal proceeds to you within five (5) Business Days from the receipt of withdrawal proceeds from the Target Fund.

Note 1: *The determination of the prices of shares of the Target Fund may be suspended during a period when trading on a relevant stock exchange is substantially restricted or when other specified circumstances exist which make it impracticable to dispose of or value any of the investments (as described in section 2.7 "Suspension of Calculation of Net Asset Value"). No share of the Target Fund may be issued, redeemed or switched during a period of suspension.*

Note 2: *This refers to situations where withdrawal proceeds from the Target Fund is deferred due to the occurrence of unexpected issues including but not limited to technical issues and/or foreign market-related issues which may affect the trading of the Target Fund. The Company may limit the number of shares redeemed or switched on any valuation day to 10% of the total number of shares in issue of the Target Fund. In such event, the redemption may be deferred for a period not exceeding ten (10) Luxembourg business days. These instructions to redeem will be executed in priority to later instructions.*

Please refer to section 2.4 "Redemption Policy", section 2.5 "Redemption of Shares", section 2.6 "Swing Pricing Adjustment", section 2.7 "*Suspension of Calculation of Net Asset Value*" and section 2.8 "Target Fund Soft Closure" for more information. If in doubt, please consult your professional advisers.

4.7. MINIMUM BALANCE

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

4.8. COOLING-OFF PERIOD

For first time individual investor investing with us, you have six (6) Business Days after your initial investment (i.e. the date the complete application is received and accepted by us or 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"). Please note that the cooling-off right is only given to first time investor investing with us or any of our Distributors. However, Principal Malaysia's staff or a person registered with a body approved by the SC to deal in unit trusts are not entitled to the cooling-off right.

We will pay the Refund Amount including the Application Fee (if any) to you in the currency of the respective Class within eleven (11) Business Days of receipt of the complete withdrawal request. This process involves the submission of the Fund's withdrawal

request to the Target Fund in which the Target Fund will process within three (3) Business Days, but in any event within thirty (30) Business Days of receipt of the complete withdrawal request, should any the following events occur:
(i) the Target Fund's NAV is suspended during any period [Note 1]; or
(ii) withdrawal proceeds from the Target Fund is deferred [Note 2].

Subsequently, payment will be made to you after receipt of the withdrawal proceeds from Target Fund. Nonetheless, we will pay the withdrawal proceeds to you within five (5) Business Days from the receipt of withdrawal proceeds from the Target Fund.

Note 1: *The determination of the prices of shares of the Target Fund may be suspended during a period when trading on a relevant stock exchange is substantially restricted or when other specified circumstances exist which make it impracticable to dispose of or value any of the investments (as described in section 2.7 "Suspension of Calculation of Net Asset Value"). No share of the Target Fund may be issued, redeemed or switched during a period of suspension.*

Note 2: *This refers to situations where withdrawal proceeds from the Target Fund is deferred due to the occurrence of unexpected issues including but not limited to technical issues and/or foreign market-related issues which may affect the trading of the Target Fund. The Company may limit the number of shares redeemed or switched on any valuation day to 10% of the total number of shares in issue of the Target Fund. In such event, the redemption may be deferred for a period not exceeding ten (10) Luxembourg business days. These instructions to redeem will be executed in priority to later instructions.*

Please refer to section 2.4 "Redemption Policy", section 2.5 "Redemption of Shares", section 2.6 "Swing Pricing Adjustment", section 2.7 "*Suspension of Calculation of Net Asset Value*" and section 2.8 "Target Fund Soft Closure" for more information. If in doubt, please consult your professional advisers.

4.9. 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. For information on the availability of switching, please refer to the Annexure of the respective Class.

To switch, simply complete a switch application and submit it to our Distributors, Principal Malaysia's office (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 and other Principal Malaysia's funds (or its classes).

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.

4.9.1. Processing a switch

We process a switch as a withdrawal from one fund or class and an investment into another fund or class within Principal Malaysia's fund. If we receive a complete switch request by 4:00 p.m. on a Business Day, we will process the switch-out using the NAV per unit for that Business Day. If we receive the request after 4:00 p.m., we will process the switch-out using the NAV per unit for the next Business Day (T+1).

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

4.10. TRANSFER FACILITY

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

4.11. 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) Suspension of redemption of the Target Fund as set out in section 2.7 above; or
(ii) the closure of a securities exchange or trading restrictions in the securities exchange of the markets where the Target Fund has substantial investments; or
(iii) an emergency or other state of affairs; or
(iv) the declaration of a moratorium in a country where that Fund has assets; or
(v) for the purpose of conversion of any currency, a closure or restrictions on trading in the relevant foreign market exchange; or
(vi) 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 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).

Note: *Please refer to section 4.6.1 "Processing a withdrawal" in the event that the suspension of Target Fund, we may only pay you within five (5) Business Days from the receipt of withdrawal proceeds from the Target Fund.*

4.12. DISTRIBUTION PAYMENT

Depending on the distribution policy of the respective Class, distribution (if any) will be made at the end of each distribution period to the Class(es) according to its distribution policy. Each unit of the Class will receive the same distribution for a distribution period regardless of when those units were purchased. The distribution amount you will receive is calculated by multiplying the total number of units held by you in the Class 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, please see Annexure of the respective Class.

All distributions (if any) will be automatically reinvested into additional units in the Class at the NAV per unit on the distribution date (the number of units will be rounded to two (2) decimal places), unless written instructions to the contrary are communicated to us, in which you should have first furnished us with details of your bank account in the currency denomination of that Class, that all distribution payment shall be paid into (the cost and expense will be borne by you). No Application Fee is payable for the reinvestment.

If units are issued as a result of the reinvestment of a distribution or other circumstance after you have withdrawn your investment from the Class, those additional units will then be withdrawn and the proceeds will be paid to you.

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

The Fund may distribute from realised income, realised capital gains, capital (which may include distributable income which has been accrued as at the end of a financial year but is not declared and paid as distribution at the next distribution date immediately after that financial year end) or a 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. The distribution out of capital is to enable us to make a distribution in the event there is insufficient income available for distribution after taking into consideration the level of capital and performance of the Fund and subject to healthy cash flow of the Fund, and any distribution out of capital we make, we will ensure that proper decisions can be made in reducing cost and to ensure stability and sustainability of distribution of income for the Fund without generating any additional risk to 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) that provide distribution, we have the right to make provisions for reserves in respect of distribution of the Class. If the income available is too small or insignificant, any distribution may not be of benefit to you as the total cost to be incurred in any such distribution may be higher than the amount for distribution. We have the discretion to make income distribution on an ad-hoc basis, taking into consideration the level of the Fund's capital, realised income and/or realised gains, as well as the performance of the Fund.*

4.13. UNCLAIMED MONEYS

Any moneys payable to you which remain unclaimed after 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 cheque, if any, which remains unclaimed for six (6) months will be reinvested into the Fund within thirty (30) Business Days after the expiry of the cheque's validity period based on the prevailing NAV per unit on the day of the reinvestment provided that you still hold units of the 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 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. No Application Fee is payable for the reinvestment. In the event that you no longer hold any unit in the Class, the distribution money would be subject to the 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.

5. ADDITIONAL INFORMATION

5.1. FINANCIAL YEAR-END

31 July.

5.2. 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 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 sheet and our website, **www.principal.com.my.**

If you have any questions about the information in this 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 **myservice@principal.com.**

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

5.3. DEED

The Fund is governed by the Principal Deed dated 8 May 2018, the First Supplemental Deed dated 31 December 2019, the Second Supplemental Deed dated 2 February 2024, the Third Supplemental Deed dated 18 October 2024, the Fourth Supplemental Deed dated 20 January 2025, the Fifth Supplemental Deed dated 20 January 2025 including any other supplemental deed (s) as may be issued from time to time.

5.4. DOCUMENTS AVAILABLE FOR INSPECTION

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

- The Deed;
- Current Prospectus and its supplementary or replacement prospectus, if any;
- Target Fund prospectus and supplement, if any;
- The latest annual and interim reports of the Fund, which includes the audited financial statements of the Fund (where available) for the current financial year and for the last three (3) financial years or if less than three (3) years, from the date of launch of the Fund;
- Material contracts or documents disclosed in this 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 Prospectus;

- The audited financial statements of the Manager for the current financial year and for the last three (3) financial years or if less than three (3) years, from the date of incorporation or commencement;
- Writ and relevant cause papers for all current material litigation and arbitration disclosed in this Prospectus; and
- Consent given by experts disclosed in this Prospectus, if any.

5.5. CONSENT

Ernst & Young Tax Consultants Sdn. Bhd., HSBC (Malaysia) Trustee Berhad and Franklin Advisers, Inc. have given their written consent to act in their respective capacity. They have also given their consent for the inclusion of their names and/or statements and/or reports in this Prospectus in the form and context in which it appears and have not subsequently withdrawn their consent to the inclusion of their names and/or statements and/or reports in the form and context in which it appears in this Prospectus.

5.6. POTENTIAL CONFLICTS OF INTERESTS AND RELATED PARTY TRANSACTIONS

We (including our directors) will at all time act in your best interests and will not conduct ourselves in any manner that will result in a conflict of interest or potential conflict of interest. In the unlikely event that any conflict of interest arises, such conflict shall be resolved such that the Fund is not disadvantaged. In the unlikely event that we face conflicts in respect of our duties as the manager to the Fund and to other Principal Malaysia's funds that we manage, we are obliged to act in the best interests of all our investors and will seek to resolve any conflicts fairly and in accordance with the Deed.

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

The Fund may maintain Deposits with CIMB Bank Berhad, CIMB Islamic Bank Berhad and CIMB Investment Bank Berhad. We may enter into transactions with other companies within PFG and CIMB Group provided that the transactions are effected at market prices and are conducted at arm's lengths.

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

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.

Trustee

As for the trustee and service provider for the Fund, there may be related party transactions involving or in connection with the Fund in the following events:
(1) where the Fund invests in instrument(s) offered by the related party of the Trustee (e.g. placement of monies, transferable securities etc);
(2) where the Fund is being distributed by the related party of the Trustee;
(3) where the assets of the Fund are being custodised by the related party of the Trustee both as sub-custodian and/or global custodian of the Fund (i.e. Trustee's delegate); and
(4) where the Fund obtains financing as permitted under the GUTF, from the related party of the Trustee.

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

Subject to any local regulations, the Trustee and/or its related group of companies may deal with each other, the Fund or any Unit holder or enter into any contract or transaction with each other, the Fund or any form any such contract or transaction or act in the same or similar capacity in relation to any other scheme.

5.7. INTERESTS IN THE FUND

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

5.8. EMPLOYEES' SECURITIES DEALINGS

We have in place a policy contained in our 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.

6. THE MANAGER

6.1. ABOUT PRINCIPAL ASSET MANAGEMENT BERHAD

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

The primary roles, duties and responsibilities of Principal Malaysia as the Manager of the Fund include:
- maintaining a register of Unit holders;
- implementing the appropriate investment strategies to achieve the Fund's objective;
- ensuring that the Fund has sufficient holdings in liquid assets;
- arranging for the sale and withdrawal of units;
- calculating the amount of income to be distributed to Unit holders, if any; and
- maintaining proper records of the Fund.

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

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

6.1.2. Designated person responsible for fund management function

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 Asset Management Berhad in 2017 to manage unit trust funds and institutional mandates covering Malaysian and ASEAN markets. Prior to that, he was attached to Libra Invest Bhd 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 Bhd. 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 on ASEAN markets. He started covering ASEAN markets since 2010. He was also previously with PricewaterhouseCoopers as an auditor. Chun Hong holds a Bachelor of Commerce (Accounting & Finance), Monash University, Clayton Campus. He is a Chartered Financial Analyst (CFA) charter holder.
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****.*

7. THE TRUSTEE

7.1. ABOUT HSBC (MALAYSIA) TRUSTEE BERHAD

HSBC (Malaysia) Trustee Berhad is a company incorporated in Malaysia since 1937 and registered as a trust company under the Trust Companies Act 1949, with its registered address at 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.

7.1.1. 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.

7.1.2. 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 including central securities depositories or clearing and/or settlement systems in any circumstances.

7.1.3. Trustee's Disclosure of Material Litigation

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

7.1.4. 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.

8. SALIENT TERMS OF DEED

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 represents an equal undivided beneficial interest in the assets of that Class. However, the unit does not give you an interest in any particular part of the Class or a right to participate in the management or operation of the Fund (other than through Unit holders' meetings).

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

8.1. RIGHTS, LIABILITIES AND LIMITATION OF UNIT HOLDERS

8.1.1. 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 your units as permitted under the Deed 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 Deed;
(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 Fund; and
(vi) exercise cooling-off for qualified investors.

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

8.1.2. 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 Fund to meet the claim of any creditor of the Trustee or ours in respect of the Class. The Unit holders of one Class will not be liable for any liabilities of the other Classes.
(ii) The recourse of the Trustee, ours and any creditor is limited to the assets of the Fund.

8.1.3. Limitations

You cannot:
(i) interfere with any rights or powers of ours and/or Trustee's under the Deed;
(ii) exercise a right in respect of an asset of the Fund or lodge a caveat or other notice affecting the asset of the Fund or otherwise claim any interest in the asset of the Fund; or
(iii) require the asset of the Fund to be transferred to you.

Note: *For full details of the rights of a registered Unit holder of the Fund, please refer to the Deed.*

8.2. MAXIMUM FEES AND CHARGES AND EXPENSES PERMITTED BY THE DEED

This table describes the maximum charges permitted by the Deed and payable directly by you.

Charges		Descriptions
(1)	Application Fee	Up to 6.50% is charged on the NAV per unit.
(2)	Withdrawal Fee	Up to 3.00% is charged on the NAV per unit.
(3)	Switching Fee	Up to 6.50% is charged on the NAV per unit. An administrative fee (if any) in relation to switching may be charged as set out in the Prospectus.

This table describes the maximum fees permitted by the Deed and payable indirectly by you.

Fees		Descriptions
(1)	Management Fee	Up to 3.00% per annum, calculated daily on the NAV of the Class.
(2)	Trustee Fee	Up to 0.03% per annum, calculated daily on the NAV of the Fund (including local custodian fee but excluding foreign sub-custodian fees and charges).

A lower fee and/or charges than what is stated in the Deed may be charged, all current fees and/or charges will be disclosed in the Prospectus. Please refer to the "Fees, Charges and Expenses" chapter for further details.

Any increase of the fees and/or charges above that stated in the current Prospectus may be made provided that a supplemental 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.

8.2.1. Expenses permitted by the Deed

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 Trustee), 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 Trustee's;
- costs incurred for any meeting of Unit holders other than those convened for our benefit or the Trustee's;
- 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 Trustee 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 Trustee 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 Trustee 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 Trustee 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.

The Trustee and us are required to ensure that any fees or charges payable are reasonable and in accordance with the Deed.

8.3. 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 Trustee of our desire to do so, or such shorter notice as we and the Trustee 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 Fund.

We may be removed by the Trustee under certain circumstances outlined in the Deed. 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 Trustee) or cease to carry on business or if a receiver shall be appointed in respect 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 Trustee is of the opinion that we have, to the prejudice of the Unit holders, failed to comply with any provision or covenant under the Deed or contravened any of the provisions of the CMSA; or
- if we have failed or neglected to carry out our duties to the satisfaction of the Trustee and the Trustee considers that it would be in the interests of the Unit holders for it to do so, after the Trustee has given reasonable 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.
- if a petition has been presented for the winding up against us (other than for the purpose of and followed by a reconstruction, unless during or following such reconstruction, we become or is declared insolvent).

In any of the 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 holder's meeting convened in accordance with the Deed either by the Trustee or the Unit holders.

8.4. RETIREMENT, REMOVAL OR REPLACEMENT OF THE TRUSTEE

We and the Trustee may agree, and may by Deed appoint in its stead a new trustee approved by the SC.

The Trustee must retire as trustee of the Fund when required to retire by law. The Trustee may retire by giving twelve (12) months' notice to us or any shorter notice we accept.

We may remove the Trustee and the Trustee covenants that it will retire or be removed from the Fund constituted by or pursuant to the Deed if and when requested so to do by us if:
- the Trustee have gone into liquidation; or
- the Trustee are placed under receivership, ceases to exist, fails or neglects its duties; or
- the Trustee 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 Trustee be removed.

Additionally, we are legislatively empowered under Section 299 of the CMSA to remove the Trustee under specific circumstances set out therein.

The Trustee 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 Deed either by us or the Unit holders.

8.5. TERMINATION OF THE FUND OR CLASS(ES)

The Fund or any of the Classes 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 (if any); 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.

8.6. MEETINGS OF UNIT HOLDERS

A Unit holders' meeting may be called by us, the Trustee and/or the Unit holders.

Where we or the Trustee 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 of the Fund or of a particular Class, as the case may be by sending by post, or where allowed by any relevant law and/or authority, digitally or electronically, a notice of the proposed meeting at least fourteen (14) days before the date of the proposed meeting, to each Unit holder of the Fund or of a particular Class, as the case may be, 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 of the Fund or a Class, as the case may be, to which the Deeds relate, summon a meeting of the Unit holders:
- by sending a notice by post, or where allowed by any relevant law and/or authority, digitally or electronically, of the proposed meeting at least seven (7) days before the date of the proposed meeting to each of those Unit holders of the Fund or that Class, as the case may be at his/her last known address or in the case of joint Unit holder, to the joint Unit holder of the Fund or that Class, as the case may be, whose name stands first in our records at the joint Unit holder's last known address;
- 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; and
- specify in the notice, the place, time and terms of the resolutions to be proposed,

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 Trustee, or for the purpose of giving to the Trustee such directions as the meeting thinks proper, or for the purpose of considering any other matter in relation to the Deed.

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.

9. TAXATION REPORT

Ernst & Young Tax Consultants Sdn Bhd
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Pusat Bandar Damansara
50490 Kuala Lumpur

6 February 2025

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 Prospectus in connection with the offer of units in the unit trust known as Principal Global Technology Fund (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 MIT A. 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.

[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.

Exempt income

The following income of the Fund 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 Financial Services Act 2013 [2];

  (v) interest derived from Malaysia and paid or credited by any development financial institution prescribed under the Development Financial Institutions Act 2002 [2];

  (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 (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 cash [4] or electronic funds transfer [5].

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 [6], and where relevant conditions are met.

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[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 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

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.

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 company[8] 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:

<u>Capital assets situated in Malaysia</u>

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.

<u>Capital assets situated outside Malaysia</u>

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.

<u>Note:</u>
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.

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[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.

[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 subscribed or purchase has been made.
and includes any person for the time being exercising the functions of the management company.

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.

In addition to the above, the Income Tax (Unit Trust) (Exemption) Order 2024 [P.U.(A) 249] exempts a qualifying unit trust[9] 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.

<u>CGT rates</u>

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 tax[10] 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").

[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.

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.

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-operatives[11]	• Progressive tax rates ranging from 0% to 24%
• Trust bodies	• 24%

[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.

Unit holders	Malaysian income tax rates
• 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 [12] [13] (ii) Companies other than (i) above	 • First RM150,000 of chargeable income @ 15% [14] • Next RM450,000 of chargeable income @17% • 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 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.

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[12] A company would not be eligible for the concessionary tax rate on the first RM600,000 of chargeable income if:-
(a) 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;
(b) 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;
(c) 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.
(d) 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.

[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.

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 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.

10. DISTRIBUTORS OF THE FUND

10.1. 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.***

10.2. PRINCIPAL DISTRIBUTORS

Nsg Wealth Advisors
No 8 Jalan BM 7/19
Seksyen 7
Bandar Bukit Mahkota
Kajang 43000 Selangor
Tel: (603) 8920 8277

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

Platinum
E5-03 Empire Damansara
Jalan PJU 8/8
Damansara Perdana
47820 Petaling Jaya
Tel: (603) 7843 0506

AAAAA Wealth Builders
(formerly known as O-tye Group Consultans)
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

Dynamics Wealth Advisors
(formerly known as Star Pesona Advisors)
(secondly knows 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

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

Megas
2-6A Jalan PJU 8/3A
Bandar Damansara Perdana
47820 Petaling Jaya
Selangor
Tel: (603) 7725 6320

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

Amg Synergy Multiresources Sdn Bhd
3rd Floor
No 45 Jalan Teluk Sisek
25000 Kuantan Pahang
Tel: (609) 5161 430

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

Prestige Wealth Advisors
I-91-2 Block I
Jalan Teknologi 3/9

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

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 Bougainvellea
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

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

KPG Management Resources
19-1 Jalan Adenium 2G/9
Adenium Business Center
Bukit Beruntung
48300 Rawang
Selangor
Tel: (603) 6021 7385

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

Charisma Legacy 3
B-3-17 Blok Bouganvilla 10 Boulevard
Lebuh Raya Sprint Pju 6A Kayu Ara
Damansara Jaya
47400 Petaling Jaya
Selangor
Tel: (603) 7733 4211

Synergy Wealth Entrepreneur
98-2 Jalan Dwitasik
Dataran Dwitasik
Bandar Sri Permaisuri
Cheras
56000 Kuala Lumpur
Tel: (603) 9226 5344

KPG Capital Growth Solution
No 15-1 Jalan Adenium 2G/9
Adenium Business Centre
48300 Bukit Beruntung
Rawang Selangor
Tel: (603) 6021 7188

NZ Group
PT 650 1st & 2nd Floor
Jalan Sri Cemerlang
Seksyen 27
15300 Kota Bharu
Kelantan
Tel: (609) 7476 932

Zenith Premier Wealth Advisors
No 98 Second Floor
Jalan Legenda 1
Legenda Heights
08000 Sungai Petani
Kedah
Tel: (604) 4246 042

Millionaire Empire Group
23-1 Jalan Rejang 4
Setapak Jaya
53300 Kuala Lumpur
Tel: (603) 4141 6644

Charisma Legacy Kota Bharu
PT1671 & 1672 Tingkat 2
Jalan Raja Perempuan Zainab 2
Kubang Kerian
16150 Kota Bharu
Kelantan
Tel: (6016) 2236 343

Global Amazing Entrepreneur
C-10-2 & C-11-2
Bangi Gateway Shopping Complex
Persiaran Pekililing Seksyen 15
43650 Bandar Baru Bangi
Selangor
Tel: (603) 8920 9038

Charisma Legacy 2
B-3-25 Block Bougainvillea
10 Boulevard Lebuhraya Sprint
PJU 6A
47400 Petaling Jaya
Selangor
Tel: (603) 7733 2460

Sa@7
No. 35B-2 (2nd Floor)
Jalan Keluli Am 7/AM
Pusat Perniagaan Bukit Raja Seksyen 7
400000 Shah Alam
Selangor
Tel: (603) 3341 4978

Finaims
Suite 3a Level 4 Starling Mall
Damansara Uptown
47400 Petaling Jaya
Selangor
Tel: (6013) 3257 653

10.3. IUTA

CIMB Bank Berhad
CIMB Private Banking
IFAST Capital Sdn. Bhd.
OCBC Bank (Malaysia) Berhad
Phillip Mutual Berhad
UOB Kay Hian Securities (M) Sdn 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 and more information on the Distributors of the Classes 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.

ANNEXURE - CLASS USD

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

CLASS INFORMATION

Class USD		Page
Currency denomination	USD	
Distribution policy	Given the Fund's investment objective, the Class 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 its distributable income for distribution and performance of the Fund. *Note: The Class may distribute from realised income, realised capital gains, capital (which may include distributable income which has been accrued as at the end of a financial year but is not declared and paid as distribution at the next distribution date immediately after that financial year end) or a combination of any of the above. We reserve the right to vary the frequency and/or amount of distributions.*	38

FEES & CHARGES

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

Charges	Class USD	Page
Application Fee	Up to 5.50% of the NAV per unit.	28
Withdrawal Fee	Nil.	28
Switching Fee	Switching is treated as a withdrawal from Class USD and an investment into another Class or Principal Malaysia's fund (or its class). As such, you will be charged a switching fee equal to the difference (if any) between the Application Fee of Class USD and the Application Fee of the other Class or Principal Malaysia's fund (or its class) to be switched into. switching fee will not be charged if the Class or Principal Malaysia's fund (or its class) to be switched into has a lower Application Fee. In addition, we may impose USD35 as the administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fee with us or our Distributors. We also have the discretion to waive the Switching Fee and/or administrative fee.	28
Transfer Fee	A maximum of USD15 may be charged for each transfer.	28
Other charges payable directly by you when purchasing or withdrawing the units	Any applicable bank charges and other bank fees incurred as a result of an investment or withdrawal will be borne by you.	

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

Fees	Class USD	Page
Management Fee	Up to 1.80% per annum of the NAV of the Class.	28
Trustee Fee	Up to 0.03% per annum (including local custodian fee but excluding foreign sub-custodian fee and charges).	29
Expenses directly related to Fund or Class	Only expenses that are directly related to the Fund or Class can be charged to the Fund or Class respectively. Examples of relevant expenses are audit fee and tax agent's fee.	29
Other fees payable indirectly by you when investing in the Fund	Other fees indirectly incurred by a feeder fund such as dilution adjustment, annual depositary fees and transaction fees of the Target Fund. As such, you are indirectly bearing the dilution adjustment, depositary fees and transaction fees charged at the Target Fund level.	29

***Note:** 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 Trustee Fee), whether payable by the Fund or Class, payable by you to the Fund or payable by any other investors to the Fund.*

TRANSACTION INFORMATION

	Class USD	Page
Minimum initial investment	USD 2,000 or such other amount as we may decide from time to time.	35
Minimum additional investment	USD 1,000 or such other amount as we may decide from time to time.	35
Minimum withdrawal	1,000 units or such other amount as we may decide from time to time.	36
Minimum balance	2,000 units or such other amount as we may decide from time to time.	36
Regular Savings Plan	Currently, RSP is not available.	35
Switching	Switching will be conducted based on the value of your investment in the Class. The minimum amount for a switch is subject to: ▪ for switching out of the Class: o the minimum withdrawal applicable to the Class; o the minimum balance required (after the switch) for the Class, unless you are withdrawing from the Class in entirety; and o the withdrawal fee of the Class (if any); ▪ for switching into the Class: o the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Class; and o the switching fee applicable for the proposed switch (if any). You may negotiate to lower the amount for your switch with us or our Distributors.	37
Transfer	We may, at our absolute discretion allow or refuse transfer of units subject to such terms and conditions as may be stipulated in the Deed.	37

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 Fund; and/ or (c) transactional values including but not limited to the units or amount, for any Unit holder and/or investments made via any distribution channels or platform.

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

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

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

ANNEXURE - CLASS AUD-HEDGED

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

CLASS INFORMATION

Class AUD-Hedged		Page
Currency denomination	AUD	
Distribution policy	Given the Fund's investment objective, the Class 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 its distributable income for distribution and performance of the Fund. *Note: The Class may distribute from realised income, realised capital gains, capital (which may include distributable income which has been accrued as at the end of a financial year but is not declared and paid as distribution at the next distribution date immediately after that financial year end) or a combination of any of the above. We reserve the right to vary the frequency and/or amount of distributions.*	38

FEES & CHARGES

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

Charges	Class AUD-Hedged	Page
Application Fee	Up to 5.50% of the NAV per unit.	28
Withdrawal Fee	Nil.	28
Switching Fee	Switching is treated as a withdrawal from this Class and an investment into another Class or Principal Malaysia's fund (or its class). As such, you may be charged a Switching Fee equal to the difference (if any) between the Application Fee of this Class and the Application Fee of the other Class or Principal Malaysia's fund (or its class). Switching Fee will not be charged if the Class or Principal Malaysia's fund (or its class) to be switched into has a lower Application Fee. In addition, we may impose AUD35 as the administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fee with us or our Distributors. We also have the discretion to waive the Switching Fee and/or administrative fee.	28
Transfer Fee	A maximum of AUD15 may be charged for each transfer.	28
Other charges payable directly by you when purchasing or withdrawing the units	Any applicable bank charges and other bank fees incurred as a result of an investment or withdrawal will be borne by you.	

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

Fees	Class AUD-Hedged	Page
Management Fee	1.80% per annum of the NAV of the Class in Malaysia.	28
Trustee Fee	0.03% per annum (including local custodian fees and charges but excluding foreign sub-custodian fees and charges) on the NAV of the Fund. The foreign sub-custodian fees and charges is dependent on the country invested and is charged monthly in arrears.	28
Expenses directly related to the Fund or Class	Only expenses that are directly related to the Fund or Class can be charged to the Fund or Class respectively. Examples of relevant expenses are audit fee and tax agent's fee.	29
Other fees payable indirectly by you when investing in the Fund	Other fees indirectly incurred by a feeder fund such as dilution adjustment, annual depositary fees and transaction fees of the Target Fund. As such, you are indirectly bearing the dilution adjustment, depositary fees and transaction fees charged at the Target Fund level.	29

Note: *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.*

TRANSACTION INFORMATION

	Class AUD-Hedged	Page
Minimum initial investment	AUD 2,000 or such other amount as we may decide from time to time.	35
Minimum additional investment	AUD 1,000 or such other amount as we may decide from time to time.	35
Minimum withdrawal	1,000 units or such other amount as we may decide from time to time.	36
Minimum balance	2,000 units or such other amount as we may decide from time to time.	36
Regular Savings Plan	Currently, RSP is not available for this Class.	35
Switching	Switching will be conducted based on the value of your investment in the Class. The minimum amount for a switch is subject to: ▪ for switching out of the Class: o the minimum withdrawal applicable to the Class; o the minimum balance required (after the switch) for the Class, unless you are withdrawing from the Class in entirety; and o the Withdrawal Fee of the Class (if any); ▪ for switching into the Class: o the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Class; and o the Switching Fee applicable for the proposed switch (if any). You may negotiate to lower the amount for your switch with us or our Distributors.	37
Transfer	We may, at our absolute discretion, allow or refuse transfer of units subject to such terms and conditions as may be stipulated in the Deed.	37

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 Fund; and/or (c) transactional values including but not limited to the units or amount, for any Unit holder and/or investments made via any distribution channels or platform.

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

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

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

ANNEXURE - CLASS GBP-HEDGED

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

CLASS INFORMATION

Class GBP-Hedged		Page
Currency denomination	GBP	
Distribution policy	Given the Fund's investment objective, the Class 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 its distributable income for distribution and performance of the Fund. *Note: The Class may distribute from realised income, realised capital gains, capital (which may include distributable income which has been accrued as at the end of a financial year but is not declared and paid as distribution at the next distribution date immediately after that financial year end) or a combination of any of the above. We reserve the right to vary the frequency and/or amount of distributions.*	38

FEES & CHARGES

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

Charges	Class GBP-Hedged	Page
Application Fee	Up to 5.50% of the NAV per unit.	28
Withdrawal Fee	Nil.	28
Switching Fee	Switching is treated as a withdrawal from this Class and an investment into another Class or Principal Malaysia's fund (or its class). As such, you may be charged a Switching Fee equal to the difference (if any) between the Application Fee of this Class and the Application Fee of the other Class or Principal Malaysia's fund (or its class). Switching Fee will not be charged if the Class or Principal Malaysia's fund (or its class) to be switched into has a lower Application Fee. In addition, we may impose GBP35 as the administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fee with us or our Distributors. We also have the discretion to waive the Switching Fee and/or administrative fee.	28
Transfer Fee	A maximum of GBP15 may be charged for each transfer.	28
Other charges payable directly by you when purchasing or withdrawing the units	Any applicable bank charges and other bank fees incurred as a result of an investment or withdrawal will be borne by you.	

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

Fees	Class GBP-Hedged	Page
Management Fee	1.80% per annum of the NAV of the Class in Malaysia.	28
Trustee Fee	0.03% per annum (including local custodian fees and charges but excluding foreign sub-custodian fees and charges) on the NAV of the Fund. The foreign sub-custodian fees and charges is dependent on the country invested and is charged monthly in arrears.	28
Expenses directly related to the Fund or Class	Only expenses that are directly related to the Fund or Class can be charged to the Fund or Class respectively. Examples of relevant expenses are audit fee and tax agent's fee.	29
Other fees payable indirectly by you when investing in the Fund	Other fees indirectly incurred by a feeder fund such as dilution adjustment, annual depositary fees and transaction fees of the Target Fund. As such, you are indirectly bearing the dilution adjustment, depositary fees and transaction fees charged at the Target Fund level.	29

***Note:** 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.*

TRANSACTION INFORMATION

	Class GBP-Hedged	Page
Minimum initial investment	GBP 2,000 or such other amount as we may decide from time to time.	35
Minimum additional investment	GBP 1,000 or such other amount as we may decide from time to time.	35
Minimum withdrawal	1,000 units or such other amount as we may decide from time to time.	36
Minimum balance	2,000 units or such other amount as we may decide from time to time.	36
Regular Savings Plan	Currently, RSP is not available for this Class.	35
Switching	Switching will be conducted based on the value of your investment in the Class. The minimum amount for a switch is subject to: ▪ for switching out of the Class: o the minimum withdrawal applicable to the Class; o the minimum balance required (after the switch) for the Class, unless you are withdrawing from the Class in entirety; and o the Withdrawal Fee of the Class (if any); ▪ for switching into the Class: o the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Class; and o the Switching Fee applicable for the proposed switch (if any). You may negotiate to lower the amount for your switch with us or our Distributors.	37
Transfer	We may, at our absolute discretion, allow or refuse transfer of units subject to such terms and conditions as may be stipulated in the Deed.	37

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 Fund; and/or (c) transactional values including but not limited to the units or amount, for any Unit holder and/or investments made via any distribution channels or platform.

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

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

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

ANNEXURE - CLASS MYR-HEDGED

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

CLASS INFORMATION

Class MYR-Hedged		Page
Currency denomination	MYR	
Distribution policy	Given the Fund's investment objective, the Class 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 its distributable income for distribution and performance of the Fund. *Note: The Class may distribute from realised income, realised capital gains, capital (which may include distributable income which has been accrued as at the end of a financial year but is not declared and paid as distribution at the next distribution date immediately after that financial year end) or a combination of any of the above. We reserve the right to vary the frequency and/or amount of distributions.*	38

FEES & CHARGES

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

Charges	Class MYR-Hedged	Page
Application Fee	Up to 5.50% of the NAV per unit.	28
Withdrawal Fee	Nil.	28
Switching Fee	Switching is treated as a withdrawal from this Class and an investment into another Class or Principal Malaysia's fund (or its class). As such, you may be charged a Switching Fee equal to the difference (if any) between the Application Fee of this Class and the Application Fee of the other Class or Principal Malaysia's fund (or its class). Switching Fee will not be charged if the Class or Principal Malaysia's fund (or its class) to be switched into has a lower Application Fee. In addition, we may impose MYR100 as the administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fee with us or our Distributors. We also have the discretion to waive the Switching Fee and/or administrative fee.	28
Transfer Fee	A maximum of MYR50.00 may be charged for each transfer.	28
Other charges payable directly by you when purchasing or withdrawing the units	Any applicable bank charges and other bank fees incurred as a result of an investment or withdrawal will be borne by you.	

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

Fees	Class MYR-Hedged	Page
Management Fee	1.80% per annum of the NAV of the Class in Malaysia.	28
Trustee Fee	0.03% per annum (including local custodian fees and charges but excluding foreign sub-custodian fees and charges) on the NAV of the Fund. The foreign sub-custodian fees and charges is dependent on the country invested and is charged monthly in arrears.	28
Expenses directly related to the Fund or Class	Only expenses that are directly related to the Fund or Class can be charged to the Fund or Class respectively. Examples of relevant expenses are audit fee and tax agent's fee.	29
Other fees payable indirectly by you when investing in the Fund	Other fees indirectly incurred by a feeder fund such as dilution adjustment, annual depositary fees and transaction fees of the Target Fund. As such, you are indirectly bearing the dilution adjustment, depositary fees and transaction fees charged at the Target Fund level.	29

Note: *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.*

TRANSACTION INFORMATION

	Class MYR-Hedged	Page
Minimum initial investment	MYR 10,000 or such other amount as we may decide from time to time.	35
Minimum additional investment	MYR 5,000 or such other amount as we may decide from time to time.	35
Minimum withdrawal	5,000 units or such other amount as we may decide from time to time.	36
Minimum balance	10,000 units or such other amount as we may decide from time to time.	36
Regular Savings Plan	RSP is available. It allows you to make regular monthly investments of RM 500 or more, directly from your account held with a bank approved by us or our Distributors. The minimum initial investment for the RSP is RM10,000 or such other amount as we may decide from time to time.	35
Switching	Switching will be conducted based on the value of your investment in the Class. The minimum amount for a switch is subject to: ▪ for switching out of the Class: o the minimum withdrawal applicable to the Class; o the minimum balance required (after the switch) for the Class, unless you are withdrawing from the Class in entirety; and o the Withdrawal Fee of the Class (if any); ▪ for switching into the Class: o the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Class; and o the Switching Fee applicable for the proposed switch (if any). You may negotiate to lower the amount for your switch with us or our Distributors.	37
Transfer	We may, at our absolute discretion, allow or refuse transfer of units subject to such terms and conditions as may be stipulated in the Deed.	37

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 Fund; and/or (c) transactional values including but not limited to the units or amount, for any Unit holder and/or investments made via any distribution channels or platform.

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

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

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

ANNEXURE - CLASS SGD-HEDGED

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

CLASS INFORMATION

Class SGD-Hedged		Page
Currency denomination	SGD	
Distribution policy	Given the Fund's investment objective, the Class 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 its distributable income for distribution and performance of the Fund. *Note: The Class may distribute from realised income, realised capital gains, capital (which may include distributable income which has been accrued as at the end of a financial year but is not declared and paid as distribution at the next distribution date immediately after that financial year end) or a combination of any of the above. We reserve the right to vary the frequency and/or amount of distributions.*	38

FEES & CHARGES

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

Charges	Class SGD-Hedged	Page
Application Fee	Up to 5.50% of the NAV per unit.	28
Withdrawal Fee	Nil.	28
Switching Fee	Switching is treated as a withdrawal from this Class and an investment into another Class or Principal Malaysia's fund (or its class). As such, you may be charged a Switching Fee equal to the difference (if any) between the Application Fee of this Class and the Application Fee of the other Class or Principal Malaysia's fund (or its class). Switching Fee will not be charged if the Class or Principal Malaysia's fund (or its class) to be switched into has a lower Application Fee. In addition, we may impose SGD35 as the administrative fee for every switch. You may negotiate to lower the Switching Fee and/or administrative fee with us or our Distributors. We also have the discretion to waive the Switching Fee and/or administrative fee.	28
Transfer Fee	A maximum of SGD15 may be charged for each transfer.	28
Other charges payable directly by you when purchasing or withdrawing the units	Any applicable bank charges and other bank fees incurred as a result of an investment or withdrawal will be borne by you.	

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

Fees	Class SGD-Hedged	Page
Management Fee	1.80% per annum of the NAV of the Class in Malaysia.	28
Trustee Fee	0.03% per annum (including local custodian fees and charges but excluding foreign sub-custodian fees and charges) on the NAV of the Fund. The foreign sub-custodian fees and charges is dependent on the country invested and is charged monthly in arrears.	28
Expenses directly related to the Fund or Class	Only expenses that are directly related to the Fund or Class can be charged to the Fund or Class respectively. Examples of relevant expenses are audit fee and tax agent's fee.	29
Other fees payable indirectly by you when investing in the Fund	Other fees indirectly incurred by a feeder fund such as dilution adjustment, annual depositary fees and transaction fees of the Target Fund. As such, you are indirectly bearing the dilution adjustment, depositary fees and transaction fees charged at the Target Fund level.	29

Note: *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.*

TRANSACTION INFORMATION

	Class SGD-Hedged	Page
Minimum initial investment	SGD 2,000 or such other amount as we may decide from time to time.	35
Minimum additional investment	SGD 1,000 or such other amount as we may decide from time to time.	35
Minimum withdrawal	1,000 units or such other amount as we may decide from time to time.	36
Minimum balance	2,000 units or such other amount as we may decide from time to time.	36
Regular Savings Plan	Currently, RSP is not available for this Class.	35
Switching	Switching will be conducted based on the value of your investment in the Class. The minimum amount for a switch is subject to: ▪ for switching out of the Class: o the minimum withdrawal applicable to the Class; o the minimum balance required (after the switch) for the Class, unless you are withdrawing from the Class in entirety; and o the Withdrawal Fee of the Class (if any); ▪ for switching into the Class: o the minimum initial investment amount or the minimum additional investment amount (as the case may be) applicable to the Class; and o the Switching Fee applicable for the proposed switch (if any). You may negotiate to lower the amount for your switch with us or our Distributors.	37
Transfer	We may, at our absolute discretion, allow or refuse transfer of units subject to such terms and conditions as may be stipulated in the Deed.	37

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 Fund; and/or (c) transactional values including but not limited to the units or amount, for any Unit holder and/or investments made via any distribution channels or platform.

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

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

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

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