

This Product Highlights Sheet is an important document.

- It highlights the key terms and risks of this investment product and complements the Singapore Prospectus¹.
- It is important to read the Singapore Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.
- You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.
- If you wish to purchase the product, you will need to make an application in the manner set out in the Singapore Prospectus.

PRINCIPAL ASEAN DYNAMIC FUND (THE “FUND”)

| | | | |
|---------------------------|-----------------------------------|---|---|
| Product Type | Unit Trust | Launch Date | 9 September 2015 |
| Manager | Principal Asset Management Berhad | Custodians | <u>In Malaysia:</u> The Hongkong and Shanghai Banking Corporation Limited and assets held through HSBC Bank Malaysia Berhad and/or HSBC Nominees (Tempatan) Sdn Bhd <u>Outside Malaysia:</u> The Hongkong and Shanghai Banking Corporation Limited |
| Trustee | HSBC (Malaysia) Trustee Berhad | Dealing Frequency | Every Dealing Day |
| Capital Guaranteed | No | Expense Ratio for financial year ending 30 November 2022 | Fund:2.25% |

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

- The Fund is only suitable for investors who:
 - have a medium to long term investment horizon;
 - want a diversified portfolio of investments in the ASEAN region;
 - seek capital appreciation over the medium to long term; and/or
 - can accept that investment returns may fluctuate over the investment period.
- The principal of the Fund will be at risk.
- Investors should consult their financial advisers on the suitability of the Fund if they are in doubt.

Further Information
Refer to “Important Information” section and paragraph 7.1 of the Singapore Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in an open-ended standalone unit trust fund established in Malaysia that aims to achieve capital appreciation over the medium to long term by investing in the ASEAN region.

The Fund is assessed by the SC as suitable to be a Qualifying CIS and is subject to the Standards of Qualifying CIS and any other law, regulation, rule, guidelines or directive enacted or issued pursuant to the ASEAN CIS Framework which are applicable to the Fund, as may be amended or re-enacted from time to time.

The Manager is offering Class SGD Units of the Fund for investment in Singapore. Given the Fund’s investment objective, the Class SGD Units of the Fund is not expected to pay any distribution. Distributions, if any, are at the Manager’s discretion and will vary from period to period depending on the availability of realised income for distribution and performance of the Fund.

Refer to paragraphs 1, 7.1 and 20.1 of the Singapore Prospectus for further information on features of the product.

¹ The Singapore Prospectus is available for collection at Principal Asset Management (S) Pte. Ltd. (Company Registration No. 200607208K), 50 Raffles Place, #22-03A & B Singapore Land Tower, Singapore 048623 from Monday to Friday (9am to 5pm) or may be downloaded at www.principal.com.sg.

| Investment Strategy | |
|---|---|
| <p>The Fund will be managed with the aim of achieving a stable and positive investment return over the medium to long term through investments in ASEAN region regardless of market conditions. The companies invested in must be domiciled in, listed in, and/or have significant operations in the ASEAN region. With effect from 14 April 2023, the Fund may invest up to 25% of its NAV in companies that are listed in any Eligible Market globally with some operations or businesses in ASEAN region to capture growth opportunities.</p> <p>Investment universe of the Fund will be in countries where the regulatory authority is an ordinary or associate member of IOSCO which includes but is not limited to Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam. If the investment is a listed security, the investment must be traded in an exchange that is a member of WFE. In the event the Manager is unable to obtain the necessary licences or permits, or the licences or permits are revoked or not renewed, the Manager will seek to invest in other accessible markets.</p> <p>The Fund has the flexibility to adjust its investment exposure to equities and/or debt securities and money market instruments depending on market conditions. Under general market conditions, the Fund will invest in equities of companies which the Manager believes will exhibit good growth potential when compared to its industry or the overall market. The Fund may also invest up to 20% of the Fund's NAV in debt securities to be in line with the Fund's objective. The minimum credit rating for these debt securities must be at least "BBB" by an international rating agency as prescribed under the Standards of Qualifying CIS or its equivalent by other international rating agencies. The Fund may also opt to access into the equities and/or debt securities market via investment in units of other CIS that is in line with the Fund's objective, subject to the requirements of the GUTF and the Standards of Qualifying CIS.</p> <p>The asset allocation strategy for this Fund is as follows:</p> <ul style="list-style-type: none"> ▪ between 60% to 98% (both inclusive) of the Fund's NAV will be invested in equities; ▪ up to 20% of the Fund's NAV may be invested in debt securities; and ▪ at least 2% of the Fund's NAV will be invested in liquid assets for liquidity purpose. <p><u>Benchmark</u></p> <p>The performance of the Fund cannot be compared directly with any specific publicly available benchmark. The performance of the Fund will be referenced against a return of 9% per annum. This is not a target for the Fund's performance to beat, nor a guaranteed return or forecast of future return and is only used as a reference to measure the Fund's performance. The Fund may not achieve the said return in any particular financial year but aims to achieve this growth over the medium to long term.</p> | <p>Refer to paragraph 7.2 of the Singapore Prospectus for further information on the investment focus and approach.</p> |
| Parties Involved | |
| <p>WHO ARE YOU INVESTING WITH?</p> <p>The Manager is Principal Asset Management Berhad. The Trustee is HSBC (Malaysia) Trustee Berhad. The Custodian is The Hongkong and Shanghai Banking Corporation Limited. The Singapore Representative is Principal Asset Management (S) Pte. Ltd.</p> | <p>Refer to paragraphs 2 to 5 of the Singapore Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.</p> |
| KEY RISKS | |
| <p>WHAT ARE THE KEY RISKS OF THIS INVESTMENT?</p> <p>The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment:</p> | <p>Refer to paragraph 9 Singapore Prospectus for further information on risks of the product.</p> |
| Market and Credit Risks | |
| <ul style="list-style-type: none"> • You are exposed to Country Risk. Investments of the Fund in any country may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund invests in. This in turn may cause the NAV of the Fund to fall. • You are exposed to Currency Risk. Investors should be aware that if the currencies in which the investments are denominated in depreciate against the USD (base currency), this will have an adverse effect on the NAV of the Fund and vice versa. Investors should be aware that currency risk is applicable to Class(es) (e.g. Class SGD) | |

| | |
|---|--|
| <p>which is denominated in a different currency than the USD. The impact of the exchange rate movement between the USD 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). When deemed necessary, the Manager may utilise derivative instruments, subject to the GUTF, to hedge currency risk. Currently, the Manager does not seek to mitigate the currency risk and investors of the Fund should be prepared to assume the currency risk. If the Fund utilises derivative for hedging against the base currency of the Fund, investors should note that as a result of hedging, the Fund will not be able to enjoy the full benefits of currency movement in the event of a favourable movement of currency.</p> <ul style="list-style-type: none"> • You are exposed to Credit and Default Risk. Credit risk relates to the creditworthiness of the issuers or counterparties and their expected ability to make timely payment of interest and/or principal. Default risk relates to the risk that the issuers or counterparties either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the investments. The Manager aims to mitigate this risk by performing bottom-up and top-down credit research and analysis to determine the creditworthiness of the issuers or counterparties, and impose investment limits on exposures to issuers or counterparties with different credit profiles as a precautionary step to limit any loss that may arise directly or indirectly as a result of a defaulted exposure. • You are exposed to Interest Rate Risk. Interest rate risk refers to the impact of interest rate changes on the valuation of debt securities and money market instruments. When interest rates rise, debt securities and money market instruments prices generally decline and this may lower the market value of the Fund's investment in debt securities and money market instruments. In managing the debt securities, the Manager takes into account the coupon rate and time to maturity of the debt securities with an aim to mitigate the interest rate risk. | |
| Liquidity Risks | |
| <ul style="list-style-type: none"> • Liquidity risk refers to the ease of liquidating an asset without causing market dislocation. If the Fund holds assets that are illiquid or difficult to dispose, or due to liquidity policy applied by the underlying CIS (e.g. suspension of the CIS), the value of the Fund and consequently the value of Unit Holders' investment in the Fund may be negatively affected. • The Fund is not listed and there is no secondary market for its Units. You can only redeem your investment on a Dealing Day. • All redemption requests should be made to the Manager. • The Manager may, with the approval of the Trustee, suspend the subscription, switching and redemption of Units during certain circumstances specified in the Singapore Prospectus and Deed. | |
| Product-Specific Risks | |
| <ul style="list-style-type: none"> • You are exposed to Stock Specific Risk. Prices of a particular stock may fluctuate in response to the circumstances affecting individual companies such as adverse financial performance, news of a possible merger or loss of key personnel of a company. Any adverse price movements of such stock will adversely affect the Fund's NAV. • You are exposed to Emerging Markets Risk. Investing in assets from the emerging markets generally entails a greater risk (potentially including considerable legal, economic and political risks) than investing in assets from the markets of industrialised countries. Emerging markets are markets that are, by definition, "in a state of transition" and are therefore exposed to rapid political change and economic declines. • You are exposed to Derivatives Risk. Subject to the Standards of Qualifying CIS and GUTF, the Fund may invest in derivatives for purposes of hedging and it may be subject to risks associated with such investments. Investments in derivatives may require the deposit of initial margin and additional deposit of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, the Fund's investments may be liquidated at a loss. | |

FEES AND CHARGES

| | | |
|--|--|---|
| WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT? | | Refer to paragraph 8 of the Singapore Prospectus for further information on fees and charges. |
| <u>Payable directly by you</u> | | |
| Application Fee | Currently up to 5%. Maximum 7%. | |
| Switching Fee | Currently up to 1%. Maximum 7%. Units of the Fund may be switched into units of any other funds managed by the Manager which is approved for investment in Singapore (whether such fund is authorised or recognised). Switching may be carried out only between Units denominated in the same currency. | |
| Withdrawal Fee / Redemption Fee | Nil | |
| Investors should note that subscriptions for Units through any distributor appointed by the Manager may incur additional fees and charges. Investors are advised to check with the relevant distributor if such fees and charges are imposed by the distributor. | | |
| <u>Payable by the Fund to Manager and Trustee</u> | | |
| Annual management fee | Currently up to 1.50% p.a. Maximum 3% p.a. | |
| (a) Retained by Manager | - 40% to 60% of annual management fee | |
| (b) Paid by Manager to financial adviser (trailer fee) in Singapore ² | - 40% to 60% of annual management fee | |
| Annual trustee fee | Currently up to 0.06% p.a. (including local custodian fees and charges but excluding foreign sub-custodian fees and charges). Maximum 0.20% p.a. The foreign sub-custodian fees and charges is dependent on the country invested. | |
| All fees and charges payable by the investor and the Fund are subject to any applicable taxes and/or duties as may be imposed under any applicable laws or by any other regulatory authorities from time to time. | | |

VALUATIONS AND EXITING FROM THIS INVESTMENT

| | | | | | | | | | | | | | | |
|---|-------------------------|--|------------------|---|--------------------------|---|----------|--|-------------------------|--|------------------|--|--------------------------|--|
| HOW OFTEN ARE VALUATIONS AVAILABLE? | | Refer to paragraphs 10.6, 12 and 14 of the Singapore Prospectus for further information on valuation and exiting from the product. | | | | | | | | | | | | |
| <ul style="list-style-type: none"> The indicative NAV of the Class SGD Units of the Fund will be displayed daily on the Singapore Representative's website at www.principal.com.sg. The actual prices quoted will generally be published one (1) Business Day after the relevant Dealing Day on the Singapore Representative's website. | | | | | | | | | | | | | | |
| HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO? | | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> You may redeem your Units on any Dealing Day and Units are redeemed on a forward pricing basis. Redemption requests received and accepted by the appointed distribution agents on or before 4.00p.m. Singapore time on a Dealing Day will be redeemed at that Dealing Day's redemption price. Redemption requests received after 4.00p.m. Singapore time on a Dealing Day or on a day which is not a Dealing Day shall be treated as having been received on the next Dealing Day. Redemption proceeds shall normally be directly credited or be paid by cheque within seven (7) Business Days of receipt and acceptance of the Redemption Request by the Manager, unless the redemption of Units has been suspended in accordance with paragraph 15 of the Singapore Prospectus. The redemption proceeds that you will receive based on a redemption of 1,000 Units and a notional redemption price of SGD1.1000: | | | | | | | | | | | | | | |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">e.g.</td> <td style="width: 15%;">1,000 Units</td> <td style="width: 5%; text-align: center;">x</td> <td style="width: 25%;">SGD1.1000</td> <td style="width: 5%; text-align: center;">=</td> <td style="width: 30%;">SGD1,100</td> </tr> <tr> <td></td> <td>Your redemption request</td> <td></td> <td>Redemption price</td> <td></td> <td>Your redemption proceeds</td> </tr> </table> | | e.g. | 1,000 Units | x | SGD1.1000 | = | SGD1,100 | | Your redemption request | | Redemption price | | Your redemption proceeds | |
| e.g. | 1,000 Units | x | SGD1.1000 | = | SGD1,100 | | | | | | | | | |
| | Your redemption request | | Redemption price | | Your redemption proceeds | | | | | | | | | |
| <ul style="list-style-type: none"> If you are a first time individual investor, you may cancel your Units within six (6) Business Days from the date of initial subscription without incurring any charges. Full details relating to the cancellation of Units can be found in the terms and | | | | | | | | | | | | | | |

² Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Manager.

| | |
|--|--|
| conditions for cancellation of Units attached to the application form for the subscription of Units in the Fund. | |
| CONTACT INFORMATION | |
| HOW DO YOU CONTACT US? If you have questions concerning the Fund or your investment in the Fund, you may call the Singapore Representative at telephone number (65) 6390 0800. | |

| APPENDIX: GLOSSARY OF TERMS | |
|------------------------------------|--|
| “ASEAN” | Association of Southeast Asian Nations. |
| “ASEAN CIS Framework” | Framework for cross-border public offers of Qualifying CIS. |
| “Business Day” | Mondays to Fridays on any day that (i) commercial banks in Singapore and Malaysia (including Kuala Lumpur and Selangor) are open for business; and (ii) the stock exchange of Malaysia (Bursa Malaysia Securities Berhad) is open for trading. Note: The Manager may declare certain Business Days to be a non-Business Day if the Fund’s investment in foreign markets which are closed for business or suspended is at least 50% of the Fund’s NAV. |
| “CIS” | Collective investment schemes. |
| “Dealing Day” | In connection with the issuance and redemption of Units of a particular Class, means every Business Day or such other Business Day(s) or such other day(s) at such intervals as the Manager may from time to time determine. |
| “Deed” | The principal deed and all supplemental deeds in respect of the Fund made between the Manager and the Trustee, in which Unit Holders agree to be bound by the provisions of the deed. |
| “Eligible Market” | An exchange, government securities market or an OTC market that is regulated by a regulatory authority of that jurisdiction, that is of good repute, that is open to the public or to a substantial number of market participants, and on which financial instruments are regularly traded. |
| “GUTF” | Guidelines on Unit Trust Funds issued by the SC. |
| “NAV” | Net Asset Value. |
| “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. The NAV of a Class is the NAV of the Fund attributable to a Class at the same valuation point. |
| “OTC” | Over-the-counter. |
| “Qualifying CIS” | Means a CIS constituted or established in its Home Jurisdiction which has been approved by its Home Regulator for offer to the public in the Home Jurisdiction, and assessed by its Home Regulator as suitable to apply to a Host Regulator for its units to be offered to the public cross-border in the Host Jurisdiction pursuant to the ASEAN CIS Framework. |
| “SC” | Securities Commission Malaysia. |
| “Standards of Qualifying CIS” | Means the set of common standards set out under the Standards of Qualifying CIS which will govern cross border offering of CIS in ASEAN, as amended from time to time and |

shall include any handbook, practice note, regulation, directive or requirement issued pursuant thereto or by the regulators and signatories of the said common standards and includes any amendment, modification, alteration, consolidation or re-enactment made thereto or for the time being in force.

This page has been left blank intentionally

This page has been left blank intentionally