

This document comprises of -

## **Principal Global Investors Funds:**

- **Foreign registrations supplement**
- **Prospectus**
- **Fund Supplement**

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
(the “Unit Trust”)

An umbrella unit trust established under the laws of Ireland and authorised  
by the Central Bank as a UCITS pursuant to the Regulations

**FOREIGN REGISTRATIONS SUPPLEMENT**

**This Foreign Registrations Supplement contains specific information required in respect of registration of the Unit Trust for distribution in certain countries. It forms part of and should be read in the context of and in conjunction with the Prospectus for the Unit Trust dated 12 June 2020 and First Addendum to the Prospectus dated 10 December 2021 (together the “Prospectus”).**

Information contained herein is selective, containing specific information in relation to the Unit Trust. Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used herein. At the time of publication of this Foreign Registrations Supplement, certain sub-funds of the Unit Trust (each a “Fund” and together the “Funds”) have been authorised for distribution in accordance with the local relevant rules and regulations in the following countries: Austria, Belgium, Switzerland, Chile, Germany, Spain, Finland, France, The United Kingdom, Guernsey, Hong Kong, Macau, Italy, Jersey, Japan, Liechtenstein, Luxembourg, Norway, the Netherlands, Sweden, South Korea, Singapore, Denmark and the United Arab Emirates. For further information on which Funds are authorised for distribution in your country of residence, please contact your local distributor or your usual client relationship manager.

Dated: **6 May 2022**

## **ADDITIONAL INFORMATION FOR INVESTORS IN THE REPUBLIC OF AUSTRIA**

**The following Funds are registered with the Financial Market Authority (FMA) for distribution in Austria:**

- **Preferred Securities Fund**
- **Finisterre Unconstrained Emerging Markets Fixed Income Fund**
- **Post Short Duration High Yield Fund**
- **Global Property Securities Fund**
- **Global High Yield Fund**
- **Origin Global Emerging Markets Fund**
- **Origin Global Smaller Companies Fund**
- **U.S Blue Chip Equity Fund**
- **Asian High Yield Fund**
- **Finisterre Emerging Markets Debt Euro Income Fund**
- **China Opportunities Equity Fund**
- **Global Sustainable Listed Infrastructure Fund**

Facility in Austria

Facility in Austria according to EU directive 2019/1160 Article 92 (facility agent):

Erste Bank der oesterreichischen Sparkassen AG (Erste Bank Oesterreich)  
Am Belvedere 1,  
1100 Vienna,  
Austria  
Telephone: +43 (0)5 0100 - 12149  
Fax: +43 (0)5 0100 9 - 12149

Investors in the Republic of Austria may submit redemption and conversion applications for units of the Funds which may be marketed in the Republic of Austria to the Austrian facility agent.

All payments to investors in the Republic of Austria (redemption proceeds, any disbursements or other payments) may be remitted via the Austrian facility agent.

The sales prospectus, the Key Investor Information (KII), the Trust Deed of the Unit Trust as well as the annual and semi-annual reports are available free of charge and in hardcopy at the Austrian facility agent during normal business hours.

Likewise, the issue, redemption and conversion prices of the units of the Funds as well as any notices to the investors in the Republic of Austria are also available free of charge and in hardcopy at the Austrian facility agent during normal business hours.

### **Austrian tax representative**

Deloitte Tax  
Wirtschaftspruefungs GmbH  
Renngasse 1/Freyung  
P.O. Box 18  
1013 Vienna, Austria  
Telephone: +43 1 537 00  
Fax: +43 1 537 00 99 – 648

## INFORMATION FOR HONG KONG RESIDENTS

THE CONTENTS OF THIS FOREIGN REGISTRATIONS SUPPLEMENT AND THE PROSPECTUS HAVE NOT BEEN REVIEWED BY ANY REGULATORY AUTHORITY IN HONG KONG. YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE OFFER. IF YOU ARE IN ANY DOUBT ABOUT ANY OF THE CONTENTS OF THIS FOREIGN REGISTRATIONS SUPPLEMENT AND THE PROSPECTUS, YOU SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE.

The following Funds have been authorised by the Securities and Futures Commission (“**SFC**”) in Hong Kong:

- Asian Equity Fund
  - Asian High Yield Fund
  - European Equity Fund
  - Emerging Markets Equity Fund
  - Global Responsible Equity Fund
  - Global High Yield Fund
  - Preferred Securities Fund
  - Global Property Securities Fund
  - Origin Global Emerging Markets Fund
  - Origin Global Smaller Companies Fund
  - Post Short Duration High Yield Fund
  - Global Diversified Income Fund
- (collectively, the “**Authorised Funds**”)

A separate Hong Kong offering document in respect of the Authorised Funds has been prepared and authorised by the SFC (the “**Hong Kong Offering Document**”). Unit classes of the Authorised Funds which are available to the public including retail investors in Hong Kong are listed in the Hong Kong Offering Document. Please refer to the Hong Kong Offering Document or contact your sales representative for more details. The Funds of the Unit Trust (except for the “**Authorised Funds**”) are not authorised by the SFC in Hong Kong (the “**non-Authorised Funds**”) and are not available to retail investors in Hong Kong. Certain Unit classes of the Authorised Funds are not available to retail investors in Hong Kong (“**Other Unit Classes**”) and are listed in the Prospectus only. This Foreign Registrations Supplement and the Prospectus (collectively, the “**Private Offering Document**”) are distributed to professional investors only, as defined in the Hong Kong Securities and Futures Ordinance (“**SFO**”). The Private Offering Document is for reference only and for the use of the professional investors in Hong Kong to whom it has been addressed and delivered for the purpose of evaluating a possible investment by such professional investors in the Funds, and is not to be distributed, reproduced in any form or transmitted to any other persons in Hong Kong (other than professional advisers of the professional investors receiving this Private Offering Document). Neither this Private Offering Document nor any of the accompanying documents may be reproduced in whole or in part, nor may they be used for any purpose other than that for which they have been submitted, without the prior written consent of the Manager. In particular: (i) no offer or invitation to subscribe for Units in the non-Authorised Funds or Units of the Other Unit Classes may be made to the public in Hong Kong; (ii) the Private Offering Document has not been authorised by the SFC or any other regulatory authority in Hong Kong, and Units in the non-Authorised Funds or Units of the Other Unit Classes may not be offered or sold in Hong Kong by means of the Private Offering Documents or any other document other than in circumstances which do not constitute an offer to the public for the purposes of the SFO, as may be amended from time to time. If you are in doubt, please consider seeking independent professional advice.

Any information given or representation made by any dealer, salesman or other person and (in either case) not contained in the Private Offering Document should be regarded as unauthorised and, accordingly, should not be relied upon.

### Hong Kong Representative

Principal Investment & Retirement Services Limited has been appointed by the Manager as the Hong Kong Representative to represent the Manager in Hong Kong generally in relation to the affairs of the

Unit Trust. As part of its function as the Hong Kong Representative, Principal Investment & Retirement Services Limited will receive applications and requests for the redemption or conversion of Units and deal with other enquiries from Holders in Hong Kong. The fees of Principal Investment & Retirement Services Limited as the Hong Kong Representative in relation to the Unit Trust will be borne by the Manager. Principal Investment & Retirement Services Limited will also be the principal distributor in respect of sales of Units in Hong Kong and other parts of the world.

Contact details:

Principal Investment & Retirement Services Limited  
30/F Millennium City 6  
392 Kwun Tong Road Kwun Tong, Kowloon.

Tel: 852 2117 8383

Fax: 852 2918 1461 (Dealing)

852 2801 5690 (General enquiries)

Email: [Investors-Asia@principal.com](mailto:Investors-Asia@principal.com)

### **Omnibus Account Arrangements for Asian Investors**

The Manager may require Asian applicants to invest in an Authorised Fund through omnibus arrangements. Under such an omnibus arrangement:

- (i) Investors do not hold Units in an Authorised Fund directly; rather Units are held in the name of the Hong Kong Representative, or its agent, as nominee for the underlying investors pursuant to separate arrangements between the nominee and each of the investors. The nominee then maintains its own records of persons on whose behalf it invests,
- (ii) Persons wishing to transact in the Authorised Fund submit their requests to the Hong Kong Representative, which then makes a single request each day to the Manager on behalf of the underlying investors from whom requests have been received; and

As investors do not hold Units in an Authorised Fund directly, the manner in which application and redemption requests are processed, and the manner in which investments are recorded, differ from the arrangements described in this Prospectus.

Full details of any omnibus arrangement will be provided separately to Asian investors. The omnibus arrangement will not apply to existing Holders without their consent. Any fees in relation to omnibus arrangements will not be borne by the Authorised Funds.

### **Other Information**

The following information has been included in order to comply with regulatory requirements in Hong Kong.

The Hong Kong Representative has been appointed by the Manager and is authorised to:

- (i) receive applications for the purchase of Units of the Unit Trust. Applications received by 5:00 p.m. Hong Kong time will be forwarded to the Manager by the Hong Kong Representative at the end of each Hong Kong Business Day. The Hong Kong Representative has, however, no authority to agree on behalf of the Unit Trust that applications will be accepted;
- (ii) receive application monies, for which the Hong Kong Representative will issue a receipt and which the Hong Kong Representative will forward as soon as practicable, and receive any completed Bank Instruction Letter relating to this application, which the Hong Kong Representative will arrange to have processed as soon as practicable;
- (iii) receive requests from investors in Hong Kong to redeem or convert their Units, as described

under (a) above. Payment of redemption monies will normally be made within 3 Business Days after the relevant Dealing Day and always within 10 Business Days after the relevant Dealing Day and of receipt of completed documentation, subject to the Manager's powers to alter dealing terms specified in the **Redemption of Units** above.

Applicants for Units who are resident in Hong Kong may deliver their application forms to the Hong Kong Representative, together with their payment for the Units by telegraphic transfer.

Applicants must pay to the Hong Kong Representative or have delivered to the Hong Kong Representative a Bank Instruction Letter allowing a telegraphic transfer of monies to be sent direct to the Manager. Payment should be made in the manner described above.

The Hong Kong Representative has been appointed as a Unit distributor by the Manager and may deal with purchase, sale or switch requests in that capacity also.

Applicants should note that the purchase of Units is not the same as placing monies on deposit with a bank or a deposit taking company and that the Manager has no obligation to redeem Units at the dealing price paid by the investor. Neither the Manager nor the Unit Trust are subject to the provisions of the Hong Kong Banking Ordinance.

The Net Asset Value per Unit for each class of Units will be published at least once in a month in the South China Morning Post and the Hong Kong Economic Times, and notified to Euronext Dublin at least once a month. Such prices can also be ascertained at the head offices of the Manager and the Hong Kong Representative. From time to time, the Manager may publish indicative prices for the Units in currencies other than the Base Currency of the relevant Fund (refer Appendix D for more information).

The documents available for inspection listed in Appendix D of this Prospectus can be inspected free of charge at the offices of the Hong Kong Representative during normal business hours and a copy obtained from there at a reasonable charge.

The Manager is the person responsible for the information contained herein. To the best of the knowledge and belief of the directors of the Manager (whose names appear in the Prospectus and who have taken all reasonable care to ensure such is the case) the information contained in this Private Offering Document as of the date of this Foreign Registrations Supplement and the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Unit Trust and the Authorised Funds have been authorised by the SFC in Hong Kong under Section 104 of the SFO. SFC authorisation is not a recommendation or endorsement of the Unit Trust and the Authorised Funds or does it guarantee the commercial merits of the Unit Trust and the Authorised Funds or their performance. It does not mean the Unit Trust and the Authorised Funds are suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

## **INFORMATION FOR LUXEMBOURG RESIDENTS**

### **Facility in Luxembourg**

Facility in Luxembourg according to EU directive 2019/1160 Article 92 (Facility agent): Principal Global Investors (Ireland) Limited has appointed CACEIS Bank Luxembourg, as the Facility agent of Principal Global Investors Funds in the Grand-Duchy of Luxembourg (the "Agent").

The Agent shall act as agent of the Unit Trust for the receipt of and transmission of subscription, redemption and any other requests and the payment of redemption and dividend monies in accordance with Luxembourg law, and the prospectus of the Unit Trust in force.

The Agent shall upon the request of an investor provide copies of the current prospectus of the Unit Trust and any supplement or addendum thereto, the Prospectus / Sub-fund supplements / KIIDs / Trust Deed, the annual report and semi-annual report of the Unit Trust. The Net Asset Value per Units may also be obtained at the Agent's office during normal bank business hours:

### **Facility agent address:**

CACEIS Bank, Luxembourg Branch,  
5, Allée Scheffer  
L-2520 Luxembourg  
Luxembourg

### **Distribution of the Fund units in Luxembourg**

The Unit Trust is registered with the Commission de Surveillance du Secteur Financier (CSSF) to publicly distribute units in Luxembourg in accordance with the requirements of the Luxembourg Law on Undertakings for Collective Investment dated 17 December 2010 UCITS situated in other EU Member States which market their shares in Luxembourg.

### **Price Listing**

Except where the determination of the Net Asset Value of Fund, the Net Asset Value per Unit and/or the issue and redemption of Units has been temporarily suspended under the circumstances described in the Prospectus, the Net Asset Value per Unit is available on [www.principalglobal.com/](http://www.principalglobal.com/).

### **Notifications**

Any notices to unitholders of the Unit Trust will be communicated on [www.principalglobal.com/](http://www.principalglobal.com/).

## ADDITIONAL INFORMATION FOR INVESTORS IN FEDERAL REPUBLIC OF GERMANY

For the following investment compartments, no notification for marketing in the Federal Republic of Germany has been filed with the Federal Financial Supervisory Authority (BaFin), so that units of these investment compartments may not be marketed to investors within the jurisdiction of the Investment Code:

- Asian Equity Fund
- Finisterre EM Debt Fund
- Emerging Markets Equity Fund
- Real Estate Debt Fund

### Facility in Germany

Facility in Germany according to EU directive 2019/1160 Article 92 (Facility agent): ODDO BHF Aktiengesellschaft.  
Bockenheimer Landstrasse 10,  
60323 Frankfurt am Main  
Germany

Redemption requests and conversion requests, for the shares which may be marketed in the Federal Republic of Germany, may be submitted to the domestic paying and information agent.

Furthermore, all payments to investors (redemption proceeds, any dividend disbursements or other payments) may be remitted via the domestic paying and information agent.

The following documentation is available for inspection at and may be obtained in hard copy, from the domestic paying and information agent free of charge:

- Prospectus;
- Supplements;
- the key investor information documents (KIIDs);
- Trust Deed;
- the annual and semi-annual reports.

The documents mentioned in the paragraph "Documents available for inspection" in Appendix D to the Prospectus can also be viewed, during normal business hours, there and at the offices of the Manager. Further information to the Holders, if any, is available at the Facility agent.

The issue and redemption prices are published on [www.principalglobal.com/](http://www.principalglobal.com/). Further information to the Holders, if any, shall be sent to Holders by the way of letters.

In the following cases, in addition to the provision of the information to investors in Germany by means of a letter, the information will also be published in [www.principalglobal.com/](http://www.principalglobal.com/):

aa) any suspension of the redemption of an investment undertaking's shares;

bb) any termination of an investment undertaking's management or the liquidation of an investment undertaking;

cc) amendments to the fund rules which are inconsistent with existing investment principles, affect material investor rights, or relate to remuneration or the reimbursement of expenses that may be taken out of the investment undertaking's assets, including the reasons for the amendments and the rights of investors, the information must be communicated in an easily understandable form and manner and must indicate where and how further information may be obtained;

dd) the merger of investment undertakings in the form of information on the proposed merger which must be drawn up in accordance with Article 43 of Directive 2009/65/EC;



ee) the conversion of an investment undertaking into a feeder fund or any change to a master fund in the form of information which must be drawn up in accordance with Article 64 of Directive 2009/65/EC.

## INFORMATION FOR UNITED KINGDOM RESIDENTS

The UK Representative has been appointed to act as Facilities Agent for the Unit Trust in the United Kingdom, where:

- (i) a Holder may redeem or arrange the redemption of his or her Units and from which payment of the price of redemption may be obtained;
- (ii) information can be inspected or obtained orally and in writing about the most recently published sale and purchase prices of the Units;
- (iii) the following documents of the Unit Trust may be inspected and obtained free of charge:
  - (a) the Trust Deed of the Unit Trust and any amendments thereto;
  - (b) the most recently issued prospectus, supplements and key investor information documents for the Unit Trust; and
  - (c) the most recently published annual and half yearly reports relating to the Unit Trust.

Please note that any past performance detailed in the Prospectus or in any Supplement will not necessarily be repeated in the future, and past performance information should not be interpreted as a projection illustrating the possible future value of an investment in the Funds.

### The Investors Compensation Scheme

Persons interested in purchasing Units should note that complaints about the operation of the Unit Trust may be submitted to the Unit Trust directly or through the UK Representative. However, as the Unit Trust is an overseas entity, investors will not benefit from rules and regulations made under FSMA by the United Kingdom Financial Services Authority and others for the protection of private investors or the Financial Services Compensation Scheme established under FSMA. Also, generally investors will have no rights of cancellation or withdrawal under Section 15 of the United Kingdom Financial Services Authority of Business Rules.

### Contact details:

Principal Global Investors (Europe) Limited,  
Level 1  
1 Wood Street  
London,  
EC2V 7JB10 United Kingdom.

Tel: +44-20-7710-0220

Fax: + 44 (0) 20 7710 0221

[Email:contactpgfunds@principal.com](mailto:contactpgfunds@principal.com)

## INFORMATION FOR INVESTORS IN SWITZERLAND

### 1. Representative

The representative in Switzerland is ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH-8050 Zurich.

### 2. Paying agent

The paying agent in Switzerland is Banque Cantonale de Genève, 17, quai de l'Ile, CH-1204 Geneva.

### 3. Place where the relevant documents may be obtained

The relevant documents such as the prospectus, the key investor information document (KIIDs), the statutes or the fund contract as well as the annual and semi-annual reports may be obtained free of charge from the representative in Switzerland.

### 4. Publications

Publications in respect of the Unit Trust will occur in Switzerland on the electronic platform [www.fundinfo.com](http://www.fundinfo.com). In particular, such publications include essential information for investors such as substantial amendments to the prospectus as well as the liquidation of the Unit Trust.

The issue and the redemption prices or the net asset value together with a footnote stating “excluding commissions” will occur daily on the electronic platform [www.fundinfo.com](http://www.fundinfo.com).

### 5. Payment of retrocessions and rebates

The Unit Trust or, the Manager and its agent may pay retrocessions as remuneration for offering activities in respect of the investment fund units in or from Switzerland. This remuneration may be deemed payment for the following services in particular:

- *Marketing*
- *Customer service with end investors*
- *Due diligence and monitoring*

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors.

The recipients of the retrocessions must ensure transparent disclosure and inform investors, unsolicited and free of charge, about the amount of remuneration they may receive for offering.

On request, the recipients of retrocessions must disclose the amounts they actually receive for offering the investment fund of the investor concerned.

In the case of offering activities in or from Switzerland, the Unit Trust or the Manager and its agents, may upon request, pay rebates directly to investors. The purpose of rebates is to reduce the fees or costs incurred by the investors in question. Rebates are permitted provided that:

- they are paid from fees received by the Unit Trust or by the Manager and therefore do not represent an additional charge on the fund assets;

- they are granted on the basis of objective criteria;
- all investors who meet these objective criteria and demand rebates are also granted these within the same timeframe and to the same extent.

The objective criteria for the granting of rebates by the Unit Trust or by the Manager are as follows:

- the volume subscribed by the investor or the total volume they hold in the Unit Trust or, where applicable, in the product range of the promoter;
- the amount of the fees generated by the investor;
- the investment behavior shown by the investor (e.g. expected investment period);
- the investor's willingness to provide support in the launch phase of the Unit Trust.

At the request of the investor, the Unit Trust or the Manager must disclose the amounts of such rebates free of charge.

## **6. Place of performance and jurisdiction**

For units offered in Switzerland, the place of performance is at the registered office of the representative. The place of jurisdiction shall be at the registered office of the representative or at the registered office or domicile of the investor.

## **INFORMATION FOR INVESTORS IN DENMARK**

Principal Global Investors Funds (hereinafter the “Fund”) has appointed SEB Denmark to act as its Facility agent in Denmark according to EU directive 2019/1160 Article 92 for a selection of sub-funds and share-classes which will be marketed to retail investors.

**The contact details of the Facility Agent are as follows:**

SEB DENMARK  
Bernstorffsgade  
50 Copenhagen  
V1577 Denmark

The Facility agent shall assist Danish retail investors in the subscription, redemption, payment of dividends and conversion of units. The Facility agent shall also supply the documents, which the Fund makes public in Ireland, and provide information about the Fund at the request of investors.

## **ADDITIONAL INFORMATION FOR INVESTORS IN THE PRINCIPALITY OF LIECHTENSTEIN**

### **Facility in Liechtenstein**

Facility agent in Liechtenstein according to EU directive 2019/1160 Article 92 (Facility agent):  
Sigma Bank AG  
Feldkircher Str. 2  
FL9494 Schaan  
Liechtenstein

**The following Funds are registered with the Financial Market Authority (FMA) for distribution in Liechtenstein:**

- Finisterre Emerging Markets Debt Euro Income Fund
- Finisterre Unconstrained Emerging Markets Fixed Income Fund
- Preferred Securities Fund
- U.S Blue Chip Equity Fund
- Post Short Duration High Yield Fund
- Global Property Securities Fund
- Global High Yield Fund

### **Redemptions and payments**

Investors in the Principality of Liechtenstein may submit redemption and conversion applications for units of the Funds, which may be marketed in the Principality of Liechtenstein, to the Facility Agent for onward transmission to the Administrative Agent of the Unit Trust.

All payments to investors in the Principality of Liechtenstein (redemption proceeds, any disbursements or other payments) may be remitted via the Facility Agent.

### **Documents**

The documents available for inspection listed in Appendix D of this Prospectus can be inspected free of charge at the offices of the Facility Agent during normal business hours and a hard copy obtained from there free of charge.

### **Price publications and publication of notices to investors**

The issue and redemption prices will be published on the following websites:  
<https://www.principalglobal.com/eu/funds>

Any notices to investors in the Principality of Liechtenstein will be sent by post to the investor's address stated in the register of unitholders and will be published on the website of the Manager ([www.principalglobal.com](http://www.principalglobal.com)).

## **EURONEXT DUBLIN**

For so long as the Units of any of the Funds are listed on Euronext Dublin, the relevant Funds shall comply with the requirements of Euronext Dublin.

## **GUERNSEY**

The Guernsey Financial Services Commission has authorised distribution of the Funds in Guernsey. It must be distinctly understood that in giving this authorisation, the Commission does not take any responsibility for the financial soundness of any of the Funds or for the correctness of any statements made or opinions expressed with regard to them.

## **JERSEY**

The Jersey Financial Services Commission (the **JFSC**) has granted consent under the Control of Borrowing (Jersey) Law 1958, as amended, to the circulation of this document in Jersey. It must be distinctly understood that in giving this consent the JFSC does not take any responsibility for the financial soundness of any schemes or for the correctness of any statements made or opinions expressed with regard to them. The JFSC is protected by the Borrowing (Control) (Jersey) Law 1947, as amended, against liability arising from the discharge of its functions arising under that law.

## **MACAU**

Authorisation has been given to the Manager or its agents to advertise and market the Unit Trust in Macao SAR under the Board Resolutions of the Monetary Financial Regulator of Macao in accordance with Article no. 62 of Decree Law no.83/99/M of 22.11.1999.

## **AUSTRALIA**

The Unit Trust and its Funds are not registered with the Australian Securities and Exchange Commission (the “ASIC”) as a Foreign Collective Investment Scheme (“FCIS”) under the Corporations Act 2001. The Funds have not been registered and approved for Public offering to retail investors in Australia. This Prospectus is NOT a product disclosure statement for the purposes of the Corporations Act 2001 and does not contain all the information typically included in such offering documentation.

Accordingly, this Prospectus must not be issued or distributed in Australia and any securities or financial products referred to herein must not be offered, issued, sold or distributed in Australia under this Prospectus, other than by way of or pursuant to an offer or invitation that does not need disclosure to investors under Part 6D.2 or Part 7.9 of the Corporations Act or otherwise. This Prospectus does not constitute or involve a recommendation to acquire, an offer or invitation for issue or sale, an offer or invitation to arrange the issue or sale, or an issue or sale, of interests to a “retail client” (as defined in section 761G of the Corporations Act and applicable regulations) in Australia.

Under Private offering, funds can only be offered and marketed to wholesale investors by an entity that holds the Australian financial services (“AFS”) license (the “responsible entity”) or an entity that has been granted an exemption by ASIC.

Under section 761G of the Corporations Act 2001 the following categories of clients are considered as “wholesale investors”:

- The price of the interest to be acquired exceeds AUD 500,000;
- The investor has net assets of at least AUD 2,500,000 or gross income for each of the last 2 financial years of at least AUD 250,000; or
- The investor is a “professional investor” (this category includes AFS licensees, listed entities, banks and friendly societies and other entities that may be presumed to have the expertise or access to professional advice to justify their being treated as wholesale investors).

## BRUNEI

The Unit Trust and its Funds are not registered with the Autoriti Monetari Brunei Darussalam ("AMBD") as a Recognised Collective Investment Scheme under Public Offering to retail and sophisticated investors or as Private Collative Investment Scheme under Private Offering to sophisticated investors as defined under Securities Markets Order 2013 (the "SMO"). This Prospectus has not been drafted under the guidelines included under Regulations 4, 159 and 160 of the SMO and does not contain the information required therein.

"Sophisticated Investors" means any person who falls within any of the specific classes of investors specified in section 20 of the SMO as follows:

"a) "accredited investor" means:

(i) an individual -

(A) whose net personal assets exceed in value \$2,000,000 (or its equivalent in a foreign currency) or such other amount as the Authority may prescribe in place of the first amount; or

(B) whose income in the preceding 12 months is not less than \$300,000 (or its equivalent in a foreign currency) or such other amount as the Authority may prescribe in place of the first amount;

(ii) a corporation with net assets exceeding \$10,000,000 in value (or its equivalent in a foreign currency) or such other amount as the Authority may prescribe, in place of the first amount, as determined by -

(A) the most recent audited balance-sheet of the corporation;

or

(B) where the corporation is not required to prepare audited accounts regularly, a balance-sheet of the corporation certified by the corporation as giving a true and fair view of the state of affairs of the corporation as of the date of the balance-sheet, which date shall be within the preceding 12 months;

(iii) the trustee of such trust as the Authority may prescribe, when acting in that capacity; or

(iv) such other person as the Authority may prescribe.

(b) "expert investor" means:

(i) a person whose business involves the acquisition and disposal, or the holding, of securities, whether as principal or agent;

(ii) the trustee of such trust as the Authority may prescribe, when acting in that capacity; or

(iii) such other person as the Authority may prescribe

(c) "institutional investor" means:

(i) a bank licensed under the Banking Order, 2006 (S 45/2006) or Islamic Banking Order, 2008 (S 96/2008);

(ii) a finance company that is licensed under the Finance Companies Act (Chapter 189);

(iii) a person registered under the Insurance Order, 2006 (S 48/2006) or Takaful Order, 2008 (S 100/2008);

(iv) a company licensed under the International Trusts Order, 2000 (S 55/2000);

(v) the Perbadanan Tabung Amanah Islam Brunei established under section 3(1) of the Perbadanan Tabung Amanah Islam Brunei Act (Chapter 163);

(vi) the Government of His Majesty the Sultan and Yang Di-Pertuan;

(vii) a statutory authority established under any written law;

(viii) a pension fund or a collective investment scheme;

(ix) the holder of a capital markets services license granted under this Order;

(x) the trustee of such trust as the Authority may prescribe, when acting in that capacity; or

(xi) such other person as the Authority may consider as an institutional investor based on the knowledge and experience of that person in securities including his ability to hire specialists with corresponding knowledge and experience, volume of his net assets or net assets under his management or other similar criteria.

## CHINA

The Unit Trust and its Funds may not be offered or sold directly or indirectly in the People's Republic of



China (the "PRC") (which, for such purposes, does not include the Hong Kong or Macau Special Administrative Regions or Taiwan). This Prospectus has not been, and will not be, submitted to or approved/verified by or registered with the China Securities Regulatory Commission ("CSRC") or other relevant governmental and regulatory authorities in the PRC pursuant to relevant laws and regulations, and may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of Units in the PRC. This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC. Units may only be offered or sold to PRC investors that are authorised to engage in the purchase of Units of the type being offered or sold. PRC investors are responsible for obtaining all relevant government regulatory approvals/licences, verification and/or registrations themselves, including, but not limited to, any which may be required from CSRC, the State Administration of Foreign Exchange, the National Development and Reform Commission and/or the Ministry of Commerce, and complying with all relevant PRC regulations, including, but not limited to, all relevant foreign exchange regulations and/or foreign investment regulations.

## **INDIA**

The Unit Trust and its Funds have not been registered with the Securities and Exchange Board of India ("SEBI"). The Funds cannot be distributed directly or indirectly in India or to Indian residents in India and cannot be offered and may not be sold directly or indirectly in India without prior notification to SEBI. This Prospectus has not been registered with any registrar of companies in India under the Companies Act, 2013 ("COMPANIES ACT 2013") and has not been reviewed and approved by SEBI it does not constitute an offer to the public of India to subscribe to the Funds described in this Prospectus.

## **INDONESIA**

The Unit Trust and its Funds have not been registered for Public Offering with the Financial Services Authority of Indonesia ("Otoritas Jasa Keuangan" or "OJK") under the Capital Markets Law of the Republic of Indonesia. The Funds cannot be distributed in Indonesia directly or indirectly in a manner which constitutes a public offer under the laws and regulations of Indonesia. This Prospectus does not constitute a public offer to sell nor a solicitation to the public in Indonesia to buy securities.

## **MALAYSIA**

The Unit Trust and its Funds are not Foreign Funds pursuant to Section 212 of the Malaysian Capital Markets and Services Act 2007. The Units have not been issued and will not be deemed issued, made available, offered for subscription or purchased in Malaysia, and neither this Prospectus nor any document or other material in connection therewith should be distributed, caused to be distributed or circulated in Malaysia, save and except to individuals or other legal entities who fall under paragraphs 8, 9, 11, 12 or 13 of Schedule 6 to the Capital Markets and Services Act 2007.

## **NEW ZEALAND**

The Unit Trust and its Funds are not Recognised Investment Schemes or Restricted Schemes in accordance with the Financial Markets Conduct Act 2013 (the "FMCA") and do not benefit from an Asia Region Funds Passport (the "ARFP"). The Units do not constitute a "regulated offer" for the purposes of the FMCA and, accordingly, there is neither a product disclosure statement nor a register entry available. This Prospectus is NOT a product disclosure statement for the purposes of the FMCA and does not contain all the information typically included in such offering documentation.

Accordingly:

- (a) the Unit Trust and its Funds may not be, offered, issued or sold to any person in New Zealand other than:
  - (1) to persons who are "wholesale investors" within the meaning of clause 3(2) of schedule

1 of the FMCA, being persons who fall within one or more of the following categories of “wholesale investor”:

- A. A person that is an “investment business” within the meaning of clause 37 of schedule 1 of the FMCA;
- B. A person that meets the investment activity criteria specified in clause 38 of schedule 1 of the FMCA;
- C. A person that is “large” within the meaning of clause 39 of schedule 1 of the FMCA; or
- D. A person that is a “government agency” within the meaning of clause 40 of schedule 1 of the FMCA, or

(2) in other circumstances where there is no contravention of the FMCA.

## PHILIPPINES

The Unit Trust and its Funds have not been registered with the Securities and Exchange Commission under the Securities Regulation Code of the Philippines (the “Code”). Any offer or sale of securities in the Philippines is subject to registration requirements under the Code unless such offer or sale qualifies as an exempt transaction under Section 10 of the Securities Regulation Code, which are as follows:

(a) At any judicial sale, or sale by an executor, administrator, guardian or receiver or trustee in insolvency or bankruptcy.

(b) By or for the account of a pledge holder, or mortgagee or any of a pledge lien holder selling or offering for sale or delivery in the ordinary course of business and not for the purpose of avoiding the provision of this Code, to liquidate a bonafide debt, a security pledged in good faith as security for such debt.

(c) An isolated transaction in which any security is sold, offered for sale, subscription or delivery by the owner therefore, or by his representative for the owner’s account, such sale or offer for sale or offer for sale, subscription or delivery not being made in the course of repeated and successive transaction of a like character by such owner, or on his account by such representative and such owner or representative not being the underwriter of such security.

(d) The distribution by a corporation actively engaged in the business authorized by its articles of incorporation, of securities to its stockholders or other security holders as a stock dividend or other distribution out of surplus.

(e) The sale of capital stock of a corporation to its own stockholders exclusively, where no commission or other remuneration is paid or given directly or indirectly in connection with the sale of such capital stock.

(f) The issuance of bonds or notes secured by mortgage upon real estate or tangible personal property, when the entire mortgage together with all the bonds or notes secured thereby are sold to a single purchaser at a single sale.

(g) The issue and delivery of any security in exchange for any other security of the same issuer pursuant to a right of conversion entitling the holder of the security surrendered in exchange to make such conversion: Provided, That the security so surrendered has been registered under this Code or was, when sold, exempt from the provision of this Code, and that the security issued and delivered in exchange, if sold at the conversion price, would at the time of such conversion fall within the class of securities entitled to registration under this Code. Upon such conversion the par value of the security surrendered in such exchange shall be deemed the price at which the securities issued and delivered in such exchange are sold.

(h) Broker’s transaction executed upon customer’s orders, on any registered Exchange or other trading market.

(i) Subscriptions for shares of the capitals stocks of a corporation prior to the incorporation thereof or in pursuance of an increase in its authorized capital stocks under the Corporation Code, when no expense is incurred, or no commission, compensation or remuneration is paid or given in connection with the sale or disposition of such securities, and only when the purpose for soliciting, giving or taking of such subscription is to comply with the requirements of such law as to the percentage of the capital stock of a corporation which should be subscribed before it can be registered and duly incorporated, or its authorized, capital increase.

(j) The exchange of securities by the issuer with the existing security holders exclusively, where no

commission or other remuneration is paid or given directly or indirectly for soliciting such exchange.

(k) The sale of securities by an issuer to fewer than twenty (20) persons in the Philippines during any twelve-month period.

(l) The sale of securities to any number of the following qualified buyers:

- (i) Bank;
- (ii) Registered investment house;
- (iii) Insurance company;
- (iv) Pension fund or retirement plan maintained by the Government of the Philippines or any political subdivision thereof or managed by a bank or other persons authorized by the Bangko Sentral to engage in trust functions;
- (v) Investment company or;
- (vi) Such other person as the Commission may rule by determine as qualified buyers, based on such factors as financial sophistication, net worth, knowledge, and experience in financial and business matters, or amount of assets under management.

## SINGAPORE

Certain Funds of the Unit Trust (the “Restricted Funds”) have been entered onto the list of restricted schemes maintained by the Monetary Authority of Singapore (the “MAS”) for purpose of restricted offer in Singapore pursuant to section 305 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”). A restricted offer or invitation for each Fund is the subject to the Prospectus and the Information Memorandum. The Restricted Funds are not authorised or recognised by the MAS and cannot be offered to the retail public in Singapore.

The Units of the Restricted Funds are capital markets products other than prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products Regulations 2018) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

The Prospectus, the Information Memorandum and any other document or material issued in connection with this restricted offer or sale of the Restricted Funds is not a Prospectus as defined in the SFA and has not been registered as a Prospectus with the MAS. Accordingly, statutory liability under the SFA in relation to the content of Prospectuses would not apply. You should consider carefully whether the investment is suitable for you.

The Prospectus and any other document or material in connection with the restricted offer or sale, or invitation for subscription or purchase, of Units may not be circulated or distributed, nor may Units be offered or sold, or be made the subject of an invitation for subscription or purchase, pursuant to this Prospectus whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 304 of the SFA, (ii) to a relevant person pursuant to Section 305(1), or any person pursuant to Section 305(2), and in accordance with the conditions specified in Section 305, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Units are subscribed or purchased under Section 305 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Units pursuant to an offer made under Section 305 of the SFA except:

1. to an institutional investor or to a relevant person defined in Section 305(5) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 305A(3)(i)(B) of the SFA;
2. where no consideration is or will be given for the transfer;
3. where the transfer is by operation of law;
4. as specified in Section 305A(5) of the SFA; or

5. as specified in Regulation 36 of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 of Singapore.

Investors should note further that the other Funds of the Unit Trust referred to in this Prospectus other than the Restricted Funds, are not available to Singapore investors and references to such other Funds is not and should not be construed as an offer of Units of such other Funds in Singapore.

## **TAIWAN**

The Unit Trust and its Funds are not being offered to the public of Taiwan and may not be sold by way of any act of general advertising or public solicitation. This Prospectus is addressed solely to you and is for your exclusive use. Any offer or invitation by the Unit Trust and its Funds is for acceptance only by you and is not transferrable. Accordingly, this may not be distributed or given to any person other than you and should not be reproduced, in whole or in part.

The Unit Trust and its Funds may be made available, (i) to Taiwan resident investors outside Taiwan for purchase by such investors outside Taiwan; (ii) to the offshore banking units (as defined in the Republic of China statute for offshore banking operations) of Taiwan banks, the offshore securities units (as defined in the Republic of China statute for offshore banking operations) of Taiwan securities firms or the offshore insurance units (as defined in the Republic of China statute for offshore banking operations) of Taiwan insurance companies purchasing the shares either for their proprietary account or for the accounts of their non-Taiwan clients; and/or (iii) to investors in Taiwan through licensed financial institutions to the extent permitted under relevant Taiwan laws and regulations, but may not otherwise be offered, sold or resold in Taiwan. Each subscriber or purchaser of the shares must seek professional advice as to whether he/she/it is qualified to subscribe to or purchase the shares and is deemed to represent and warrant that he/she/it is duly qualified to subscribe to or purchase the shares under applicable Taiwan laws and regulations.

## **THAILAND**

The Unit Trust and its Funds are not Foreign Collective Investment Schemes ("Foreign CIS") as defined under the Notification of the Capital Market Advisory Board No. TorJor. 4/2561. No offer for sale of securities can be made to the public unless an approval has been provided by the Office of the Securities and Exchange Commission ("SEC") under the Securities Exchange Act B.E. 2535 (1992) (the "SEA").

## **UNITED ARAB EMIRATES**

Certain Funds of the Unit Trust are registered with the Securities and Commodities Authority ("SCA") of the United Arab Emirates (UAE) as a foreign investment fund under Public offering and can be offered to all investors, as defined under SCA BOD 9/RM, Art. 1, meaning: "Natural or corporate person who invests or may invest its assets in any of the investment funds by purchasing one or more units in such funds" unless the SCA Board of Directors' Chairman Decision No. 9/R.M. of 2016 do not apply. No promotion, marketing or distribution of foreign funds in the UAE is permitted until the Unit Trust and its Funds are registered with by the SCA and have contracted with a local promoter licensed with the SCA for these Funds, as defined by the SCA Board of Director's Chairman Decision No. (9/R.M.) of 2016 concerning the regulations as to Investment Funds, ("SCA BOD 9/R.M."), Art. 35.

Under Public offering, the Funds can only be offered and marketed by licenced distributor who has individually obtained approval from SCA to distribute the Funds. Obligations related to the Financial Product Promotion and Promotion Materials of the Unit Trust and its Funds as defined under Art. 9 and Art. 10 of the SCA Board of Directors Decision No. (3/R.M.) of 2017 concerning the organisation of promotion and introduction shall be met.

## **Principal Global Investors Funds (the "Unit Trust")**

### **Addendum to the Prospectus dated 1 December 2022 (the "Addendum")**

**This Addendum is supplemental to, forms part of and should be read in conjunction with the prospectus for Principal Global Investors Funds (the "Unit Trust") dated 12 June 2020 (the "Prospectus") and replaces in full the addendum to the Prospectus dated 10 December 2021.**

**This Addendum forms part of and may not be distributed unless accompanied by (other than to prior recipients of) the Prospectus and must be read in conjunction with the Prospectus.** All capitalised terms used herein shall have the meanings set out in the Prospectus.

The Directors of the Manager accept responsibility for the information contained in this Addendum. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this Addendum, when read together with the Prospectus, is in accordance with the facts as at the date of this Addendum and does not omit anything likely to affect the import of such information.

**IMPORTANT:** If you are in doubt about the contents of this Addendum, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

Neither the delivery of this Addendum nor the issue or sale of Units, under any circumstances, constitutes a representation that the information contained in this Addendum is correct as of any time subsequent to the date of this Addendum.

### **Amendments to the Prospectus**

#### **1 "A new section 2.11 "Sustainable Finance Disclosures" shall be added after section 2.10 "Data Protection" with the following:**

##### **"2.11 Sustainable Finance Disclosures**

The European Union has introduced a series of legal measures (the primary ones being SFDR and the Taxonomy Regulation) requiring firms that manage investment funds to provide transparency on how they integrate sustainability considerations into the investment process with respect to the investment funds they manage.

This section of the Prospectus has been prepared for the purpose of meeting the specific financial product level disclosure requirements contained in SFDR and the Taxonomy Regulation.

##### **2.11.1 SFDR Disclosures**

###### *Part A - Fund Classification*

For SFDR purposes each Fund is classified as either (i) a Mainstream Fund; (ii) an ESG Orientated Fund; or (iii) a Sustainable Investment Fund.

If a Fund is classified as either an ESG Orientated Fund or a Sustainable Investment Fund, a clear indication of this classification (along with additional SFDR-related disclosure) will be made in the Supplement for the relevant Fund.

As a default, and in the absence of such clear indication, each Fund will be classified as a Mainstream Fund and is therefore not subject to any additional disclosure requirements for financial products referred to in SFDR and does not take into account the EU criteria for environmentally sustainable economic activities as set out in SFDR.

The disclosures in Parts B and C below shall apply to a Fund (regardless of its classification) unless specifically disappplied for a Fund in the relevant Supplement. Where such disclosures are disappplied in the relevant Fund, please see the disclosures in the relevant Supplement for that Fund.

### *Part B - Sustainability Risks – Integration into investment decision making*

All Funds to which this disclosure applies are managed in line with the Manager's Sustainability Risk policy which can be found at <https://www.principalam.com/about-us/esg>. The Sustainability Risk policy approaches Sustainability Risk from the perspective that environmental, social, and governance related risks ("ESG events") might cause a material negative impact on the value of a Fund's investments.

The Adviser or Sub-Adviser of the Funds, as appropriate, will define the manner in which Sustainability Risks are integrated into their investment decisions. These processes aim to identify, measure, manage and monitor Sustainability Risks of the Funds, where relevant.

When making investment decisions, as part of their due diligence processes, the Adviser or Sub-Adviser will continuously assess, including at the time of purchase, all relevant Sustainability Risks that might have a relevant material negative impact on the financial return of an investment.

The Manager has also implemented a shareholder engagement policy for the purposes of the revised Shareholders Rights Directive ("SRD II"). The Manager's engagement policy sets out how it integrates shareholder engagement in its investment strategies, including in relation to the Funds. The Manager's engagement policy can be found at <https://www.principalam.com/about-us/esg>.

### *Part C - Sustainability Risks – Assessment of likely impacts on Fund returns*

The Manager has assessed the impact of Sustainability Risks on the returns of the Funds to which this disclosure applies, and sets out below a qualitative summary of those risks. The investments made by a Fund may expose it to Sustainability Risks. The extent that a Sustainability Risk occurs, or occurs in a manner that is not anticipated may result in a sudden, material negative impact on the value of an investment, and hence the returns of the Fund. Such negative impact may result in an entire loss of value of the relevant investment(s) and may have an equivalent negative impact on the returns of the Fund.

A non-exhaustive description of certain Sustainability Risks identified by the Manager as being potentially relevant to the investments made by each Fund to which this disclosure applies, is set out below.

- a) Environmental risks are associated with environmental events or conditions and their effect on the value of assets to which the relevant Fund may have exposure. Such risks may arise in respect of a company itself, its affiliates or in its supply chain and/or apply to a particular economic sector, geographical or political region. Environmental risks include, but are not limited to climate change, carbon emissions, air pollution, water pollution, harm to biodiversity, deforestation, energy inefficiency, poor waste management practices, increased water scarcity, rising sea levels and/or wildfires.
- b) Social risks may be internal or external to a business and are associated with employees, local communities and customers of companies in which a Fund may invest or otherwise have exposure to. Social risks include, but are not limited to human rights violations, human trafficking, modern slavery, breaches of employee rights, child labour, discrimination, restrictions on or abuse of the rights of consumers, restricted access to clean water, to a reliable food supply, and/or to a sanitary living environment and/or infringements of rights of local communities.
- c) Governance risks are associated with the quality, effectiveness and process for the oversight of day-to-day management of companies in which a Fund may invest or otherwise have exposure to. Such risks may arise in respect of the company itself, its affiliates or in its supply chain. These risks include, but are not limited to; lack of diversity at board or governing body level, inadequate external or internal audit, infringement or curtailment of rights of (minority) shareholders, bribery and corruption, lack of scrutiny of executive pay, poor safeguards on personal data / IT security (of employees and/or customers), discriminatory employment practices, health and safety concerns for the workforce, poor sustainability practices in the supply chain, and/or appropriate and effective safeguards for employment related matters.

#### *Part D - Mainstream Funds*

The investments underlying the Mainstream Funds do not take into account the EU criteria for environmentally sustainable economic activities as set out in SFDR.

The classification of a Fund as a Mainstream Fund means that the Fund does not promote environmental or social characteristics in a way that meets the specific criteria contained in Article 8 of SFDR or have sustainable investment as its objective in a way that meets the specific criteria contained in Article 9 of SFDR.

#### *Part E - ESG Orientated Funds and Sustainable Investment Funds*

For any Funds that are classified as ESG Orientated Funds or Sustainable Investment Funds additional disclosures required under SFDR for such Funds shall be provided in the relevant Supplement.

#### *Part F - Risk Factors*

Please refer to Section 3, entitled "Special Investment Considerations and Risks" and the section entitled "Sustainable Finance Disclosures Risks" in respect of the risks related to sustainable finance disclosures."

### **2.11.1 Taxonomy Regulation Disclosures**

The Taxonomy Regulation seeks to establish a framework to classify environmentally sustainable economic activities (otherwise known as Taxonomy-aligned activities), whilst also amending certain disclosure requirements of SFDR. It sets out harmonised criteria for determining whether an economic activity qualifies as environmentally sustainable and outlines a range of disclosure obligations to enhance transparency and to provide for an objective comparison of financial products regarding the proportion of their investments that contribute to environmentally sustainable economic activities.

The Taxonomy Regulation also builds on the SFDR requirements for Sustainable Investment Funds and ESG-Oriented Funds by placing additional disclosure obligations on such Funds that invest in economic activities that contribute to one or more of the environmental objectives as set out in the Taxonomy Regulation. The Taxonomy Regulation requires the Manager to disclose (i) how and to what extent it has used the Taxonomy Regulation to determine the sustainability of these Funds' underlying investments; and (ii) to what environmental objective(s) the underlying investments contribute.

For the purpose of the Taxonomy Regulation, the investments underlying all Mainstream Funds do not take into account the EU criteria for environmentally sustainable economic activities. Please refer to the Supplements for the ESG Orientated Funds and Sustainable Investment Funds for further information on the Taxonomy Regulation.

### **2.11.2 Principal Adverse Impacts**

The Manager considers the principal adverse impacts of its investment decisions on sustainability factors at an entity level.

At a product level, where a Fund is categorised as an ESG Orientated Fund or a Sustainable Investment Fund, details of the consideration of principal adverse impacts of its investment decisions will be further specified in the Supplement.

Where a Fund is categorised as a Mainstream Fund, the principal adverse impacts of their investment decisions are not currently considered at Fund level as it may not be practicable or proportionate to do so depending on the investment strategy or due to the specific investment outcomes targeted by the strategy of or the specific Fund. This position will be kept under review by the Manager and may change over time."

**2 Section 3 entitled " Special Investment Considerations and Risks" will be amended with a new section 3.6 "Sustainable Finance Disclosures Risks" which shall be added after section 3.5 "Contingent Convertible Instruments Risk ":**

**"3.6 Sustainable Finance Disclosures Risks**

*SFDR and Taxonomy Regulation - Legal risk*

The series of legal measures (including SFDR and Taxonomy Regulation) requiring firms that manage investment funds to provide transparency on how they integrate sustainability considerations into the investment process with respect to the investment funds they manage (the EU sustainable finance action plan) is being introduced in the European Union on a phased basis and some elements (for example supporting regulatory technical standards) have been subject to implementation delays.

The Manager seeks to comply with all legal obligations applicable to it but notes there may be challenges in meeting all the requirements of these legal measures as they are introduced. The Manager may be required to incur costs in order to comply with these new requirements as part of the initial implementation phase and to incur further costs as the requirements change and further elements are introduced. This could be the case in particular if there are adverse political developments or changes in government policies as the implementation phase progresses. These elements could impact on the viability of the Funds and their returns.

*ESG Data reliance*

The scope of SFDR and the Taxonomy Regulation covers a very wide range of financial products and financial market participants. It seeks to achieve additional transparency regarding how financial market participants integrate ESG risks into their investment decisions and consideration of adverse sustainability impacts in the investment process. Data constraint is one of the biggest challenges when it comes to sustainability related information to end-investors, especially in the case of principal adverse impacts of investment decisions, and there are limitations on sustainability and ESG-related data provided by market participants in relation to comparability. Disclosures in this Prospectus may develop and be subject to change due to ongoing improvements in the data provided to, and obtained from, financial market participants and financial advisers to achieve the objectives of SFDR and the Taxonomy Regulation in order to make sustainability-related information available.

*Relative performance*

An ESG Orientated Fund or a Sustainable Investment Fund may underperform or perform differently relative to other comparable funds that do not promote environmental and/or social characteristics or pursue a sustainable investment objective."

**3 Appendix G - "Definitions" section of the Prospectus shall be amended by the inclusion of the following additional definitions as they would appear in alphabetical order:**

**"ESG** means environmental, social and governance;

**ESG Orientated Fund** means a Fund of the Unit Trust that, in accordance with the criteria outlined in Article 8 of SFDR, promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics and provided that the companies that the Fund invests in follow good governance practices;

**Mainstream Fund** means a Fund of the Unit Trust which does not meet the criteria to qualify as either an ESG Orientated Fund pursuant to Article 8 of SFDR or a Sustainable Investment Fund pursuant to Article 9 of SFDR;

**SFDR or Disclosure Regulation** means Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time;



**Sustainable Investment** means an investment in an economic activity that contributes to an environmental objective, as measured by key resource efficiency indicators on (i) the use of energy, (ii) renewable energy, (iii) raw materials, (iv) water and land, (v) the production of waste, (vi) greenhouse gas emissions, or (vii) its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective (in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations), or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices;

**Sustainable Investment Fund** means a Fund of the Unit Trust that, in accordance with the criteria outlined in Article 9 of SFDR has Sustainable Investment as its objective;

**Sustainability Risk** means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment;

**Taxonomy Regulation** means the Regulation on the Establishment of a Framework to Facilitate Sustainable Investment (Regulation EU/2020/852), and amending Regulation (EU) 2019/2088, as may be supplemented, consolidated, substituted in any form or otherwise modified from time to time;"

**4 The definition of "Supplement" in the "Definitions" section to the Prospectus shall be deleted and replaced in its entirety with the following:**

**"Supplement** means any supplement to the Prospectus issued on behalf of the Unit Trust specifying certain information in relation to a Fund and/or one or more Classes from time to time, noting that any such supplement may be issued with an information card, annex or addendum containing supplemental information on the relevant Fund or Class;"

# **Prospectus**

**12 June 2020**

## **Principal Global Investors Funds**

### **An umbrella Unit Trust established under the laws of Ireland and authorised by the Central Bank as a UCITS pursuant to the Regulations**

To the best of the knowledge and belief of the Directors (whose names appear under the heading "Management of the Unit Trust – Directors of the Manager" below and who have taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to materially affect the import of the information. The Directors accept responsibility accordingly.

## IMPORTANT INFORMATION

**The Unit Trust is authorised and supervised by the Central Bank. The authorisation of the Unit Trust by the Central Bank is not an endorsement or guarantee of the Unit Trust nor is the Central Bank responsible for the contents of this Prospectus. The authorisation of the Unit Trust does not constitute a warranty by the Central Bank as to the performance of the Unit Trust and the Central Bank shall not be liable for the performance or default of any Fund of the Unit Trust.**

Application may be made to Euronext Dublin for the listing of Units of certain Funds issued and available for issue, to be admitted to the Official List and trading on the Global Exchange Market of Euronext Dublin. The Directors of the Manager do not anticipate that an active secondary market will develop in such Units. Details of any such listing are set out in the Supplement for the relevant Fund. Except where otherwise indicated in any Supplement, the Units which are available for issue have been admitted to the Official List and trading on the Global Exchange Market of Euronext Dublin.

**Neither the admission of Units of a Fund to the Official List and trading on the Global Exchange Market of Euronext Dublin nor the approval of the listing particulars pursuant to the listing requirements of Euronext Dublin shall constitute a warranty or representation by Euronext Dublin as to the competence of service providers to or any other party connected with the Unit Trust, the adequacy of information contained in the listing particulars or the suitability of a Fund for investment purposes.**

This Prospectus, including all information required to be disclosed by the Euronext Dublin listing requirements, comprises listing particulars for the purpose of listing of such Units on Euronext Dublin.

In deciding whether to invest in the Unit Trust, investors should rely on information in this Prospectus, the relevant Supplement, the relevant KIID and the relevant Fund's most recent annual and/or semi-annual reports.

Because the Prospectus and KIID may be updated from time to time, investors should make sure they have the most recent versions.

Statements made in this Prospectus are based on the law and practice in force in the Republic of Ireland at the date of this Prospectus, which may be subject to change. This Prospectus will be updated to take into account material changes from time to time and any such amendments will be notified in advance to and cleared by the Central Bank.

If you are in any doubt about the contents of this Prospectus, the risks involved in investing in the Unit Trust or the suitability for you of investing in the Unit Trust, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

The distribution of this Prospectus and the offering of Units may be restricted in certain jurisdictions. This Prospectus does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorised. It is the responsibility of any person wishing to apply for Units to inform himself of and to observe all applicable laws and regulations of the countries of his nationality, residence or domicile.

The Units have not been registered with the United States Securities and Exchange Commission under the United States Securities Act of 1933 and may not be directly or indirectly offered or sold in the United States or to any United States Person, except pursuant to an exemption from the registration requirements under that legislation. Neither the Unit Trust, nor any of the Funds, are registered with the United States Securities and Exchange Commission as an investment company under the United States Investment Company Act of 1940. This Prospectus does not constitute and should not be construed as an offer, invitation or recommendation by the Manager or its related companies to apply for Units in the Funds in the United States or in any state, country or jurisdiction where such an offer, invitation or recommendation may not be lawfully made.

The Trust Deed gives powers to the Manager to redeem Units held by any individual under the age of 18 (or such other age as the Manager may think fit); any person or persons in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Manager to be relevant) which, in the opinion of the Manager, might result in the Manager, the Trustee or the Unit Trust incurring any liability to taxation or suffering any other pecuniary disadvantage or would subject the Manager, the Trustee or the Unit Trust to any additional regulation which the Manager, the Trustee or the Unit Trust might not otherwise have incurred or suffered; any person in breach of the law or requirements of any country or governmental authority; any person whom the Manager considers to be associated with market

timing activity; any person who holds less than the minimum number of units as may be specified for a Fund; any person in respect of whom the Manager or its delegate has not received all supporting anti-money laundering or related documentation and such other information as the Manager or its delegate may reasonably require by such time as may from time to time be specified in the Prospectus or otherwise determined; any person or entity who breached or falsified representations on subscription documents; or any person who is not eligible to invest in the relevant Fund or class in accordance with the Prospectus or is in breach of any terms or conditions applying to a class of Units as may be specified in the Prospectus. Where a Fund is trading on the Global Exchange Market of Euronext Dublin Units may only be compulsorily redeemed in circumstances which might result in the relevant Fund incurring any liability to taxation or suffering any pecuniary disadvantage.

Any information given or representations made, by any dealer, salesperson or other person not contained in this Prospectus, a Supplement or the accompanying documents should be regarded as unauthorised and should accordingly not be relied upon. Neither the delivery of the Prospectus or any Supplement nor the offer, issue or sale of Units shall, under any circumstances, constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date of this Prospectus.

Potential subscribers for Units should inform themselves as to (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, holding, transfer or disposal of Units.

Distribution of this Prospectus in certain jurisdictions will require that the Prospectus be translated into an appropriate language. Where such a translation is required, the translated version of the Prospectus will be a direct translation from the English version. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the English version shall prevail. All disputes as to the terms thereof, regardless of the language version, shall be governed by, and construed in accordance with, the law of Ireland.

**As the price of Units in each Fund may fall as well as rise, the Unit Trust shall not be a suitable investment for an investor who cannot sustain a loss on his investment.**

**The decision to invest in any Fund, and if so how much, should be based on a realistic analysis of the investor's own financial circumstances and tolerance for investment risk. As with any investment, future performance may differ from past performance, and Holders could lose money. There is no guarantee that any Fund will meet its objectives or achieve any particular level of future performance. These are investments, not bank deposits.**

**No Fund in this Prospectus is intended as a complete investment plan, nor are all Funds appropriate for all investors. Before investing in a Fund, each prospective investor should read the Prospectus and should understand the risks, costs and terms of investment in that Fund.**

**The price of Units and the income generated from them may go down as well as up meaning that an investment should be viewed as medium to long-term.**

**Where provided for in the relevant Supplement, (i) dividends may be declared out of the capital of the relevant Fund; and/or (ii) fees and expenses may be paid out of the capital of the relevant Fund, in each case in order to preserve cash flow to Unitholders. In any such cases, there is a greater risk that capital may be eroded (and also that the value of future returns may be diminished) and distribution will be achieved/fees will be paid in a manner that foregoes the potential for future capital growth of your investment. This cycle may continue until all capital is depleted. Distributions out of capital may have different tax consequences to distributions of income and it is recommended that you seek appropriate advice in this regard. The likelihood is that the value of future returns would also be diminished.**

Article 25 of MiFID II sets out requirements in relation to the assessment of suitability and appropriateness of financial instruments for clients. Article 25(4) contains rules relating to the selling of financial instruments by a MiFID-authorised firm to clients in an execution only manner. Provided the financial instruments are comprised from the list contained in Article 25(4)(a) (referred to broadly as non-complex financial instruments for these purposes), a MiFID-authorised firm selling the instruments will not be required to also conduct what is referred to as an "appropriateness test" on its clients. An appropriateness test would involve requesting information on the client's knowledge and experience on the type of investment offered and, on this basis, assessing whether the investment is appropriate for the client. If the

financial instruments fall outside the list contained in Article 25(4)(a) (i.e. are categorised as complex financial instruments), the MiFID-authorised firm selling the instruments will be required to also conduct an appropriateness test on its clients.

UCITS (other than structured UCITS) are specifically referenced in the list in Article 25(4)(a). Accordingly, each Fund is deemed to be a non-complex financial instrument for these purposes.

As at the date of this Prospectus, neither the Unit Trust nor any Fund has any loan capital (including term loans) outstanding or created but unissued, and no outstanding mortgages, charges, or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

## **DIRECTORY**

### **Manager**

Principal Global Investors (Ireland) Limited  
32 Molesworth Street  
Dublin 2  
Ireland

### **Registered Office**

32 Molesworth Street  
Dublin 2  
Ireland

### **Trustee**

The Bank of New York Mellon SA/NV, Dublin  
Branch  
Riverside Two  
Sir John Rogerson's Quay  
Grand Canal Dock  
Dublin 2  
Ireland

### **Auditors**

PricewaterhouseCoopers  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

### **Adviser**

Principal Global Investors, LLC  
801 Grand Avenue  
Des Moines  
Iowa 50392  
USA

### **Administrator**

BNY Mellon Fund Services (Ireland) Designated  
Activity Company  
One Dockland Central  
Guild Street  
International Financial Services Centre  
Dublin 1  
Ireland

### **Sponsoring Brokers/Listing Sponsor**

Maples and Calder LLP  
75 St Stephen's Green  
Dublin 2  
Ireland

### **Legal Advisers to the Manager as to Irish Law**

Maples and Calder LLP  
75 St Stephen's Green  
Dublin 2  
Ireland

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## 1 THE UNIT TRUST AND THE PRINCIPAL FINANCIAL GROUP

### 1.1 The Unit Trust

The Unit Trust is an umbrella unit trust which was authorised in Ireland as a UCITS on 13 October 1992. The Unit Trust has created a number of sub-funds (the "**Funds**"). The assets of each Fund will be invested separately on behalf of each Fund in accordance with the investment objective and policies of each Fund. The investment objective and policies and other details in relation to each Fund are set out in the relevant Supplement. Additional Funds (in respect of which a Supplement or Supplements will be issued) may be established from time to time with the prior approval of the Central Bank.

Different classes of Units in each Fund may be issued from time to time by the Manager. Each Unit represents one undivided share in the property of the relevant Fund and the nature of the right represented by a Unit is that of a beneficial interest under a trust. A separate pool of assets shall not be maintained in respect of each class. Additional classes in respect of which a Supplement or Supplements will be issued may be established by the Directors and notified to and cleared in advance with the Central Bank or otherwise must be created in accordance with the Central Bank Requirements. Separate books and records will be maintained for each Fund but not for each Class.

### 1.2 Adviser

The Adviser for the Unit Trust is Principal Global Investors, LLC. The Adviser is a member of the Principal Financial Group®.

The Adviser may delegate investment management responsibility in respect of any of the Funds in whole or in part to Sub-Advisers. Details of any Sub-Adviser appointed by the Adviser in respect of a Fund but not paid directly out of the assets of the relevant Fund are available upon request and will be set out in the relevant periodic reports for that Fund.

### 1.3 The Principal Financial Group\*

The Principal Financial Group® (**Principal**®) is a global investment management leader offering retirement services, insurance solutions and asset management. The Principal offers businesses, individuals and institutional clients a wide range of financial products and services, including retirement, asset management and insurance through its diverse family of financial services companies. Founded in 1879 and a member of the FORTUNE 500®, the Principal Financial Group has \$US692.4 billion in assets under management as of 31 December 2017 and serves some 20.1 million customers worldwide from offices in Asia, Australia, Europe, Latin America and the United States. Principal Financial Group, Inc. is traded on the Nasdaq Global Select Market under the ticker symbol PFG.

However, investors should note that investments in the Funds are neither insured nor guaranteed by the US Government or the Federal Deposit Insurance Corporation and are not deposits or obligations of, or guaranteed by, Principal Financial Group, Inc. or any affiliate thereof.

\*The Principal Financial Group and Principal are registered trademarks of Principal Financial Services, Inc., a member of the Principal Financial Group. ©2017 Principal Financial Services, Inc. Principal, Principal and the symbol design and Principal Financial Group are trademarks and service marks of Principal Financial Services, Inc., a member of the Principal Financial Group.

### 1.4 Principal Global Investors

Principal Global Investors leads global asset management at Principal®. As a multi-boutique firm, the firm brings a focused perspective and offers expertise across a host of investment capabilities: fixed income, equities, real estate, asset allocation, currency, stable value, and other structured investment strategies. As of 30 September 2017, the firm managed \$US445.5 billion of assets on behalf of a broad range of sophisticated investors.

*Commitment to Responsible Investing*

Principal Global Investors became a signatory to the United Nations Principles for Responsible Investment ("**UNPRI**") in December 2010. All investment teams and boutiques within the global asset management business of Principal Global Investors are covered by the UNPRI signature. Each boutique will define the scope and pace of its own implementation path, driven by what fits best with its investment process and the needs of its clients.

Principal Global Investors has a policy on responsible investing ("**Policy on Responsible Investing**") whereby it is committed, where feasible and appropriate, to:

- incorporating ESG issues into its investment analysis and decision-making processes;
- incorporating ESG issues into its own policies and practices;
- seeking appropriate disclosure on ESG issues from the entities that it or its clients invest in;
- promoting acceptance and implementation of the UNPRI within the investment industry;
- working with other signatories to the UNPRI to enhance effectiveness in implementing the UNPRI; and
- reporting on activities and progress towards implementing the UNPRI.

The Policy on Responsible Investing will only apply and be factored into a specific Fund's investment policies where this is expressly provided for in the relevant Supplement.

For further information regarding this policy, please refer to [www.principalglobal.com](http://www.principalglobal.com)

## **2 GENERAL INFORMATION**

### **2.1 Investment Objective and Policies**

The investment objective and policies of each Fund are set out in the Supplements. Investors' attention is also drawn to the General Policies paragraph of the General Information section and to the Special Investment Considerations and Risks section set out below.

### **2.2 General Policies**

Equity securities, for the purposes of the investment objective and policies set out in any Supplement include common stock, preferred securities, ADRs, GDRs, warrants or rights to subscribe to, or purchase, or convert into, such securities.

Debt securities, for the purposes of the investment objective and policies set out in any Supplement include sovereign, corporate and collateralised (i.e. asset and mortgage backed) debt securities and instruments with floating and fixed rates.

Preferred securities for the purposes of the investment objective and policies set out in any Supplement refer to securities with a claim to a company's earnings before payment can be made on common stock, and which are usually entitled to priority over common stock if a company liquidates. They are sometimes referred to as hybrid securities.

Investors' attention is also drawn to the fact that the references in each Supplement to ancillary liquid assets may include instruments with floating and fixed interest rates and short-term securities including treasury bills, certificates of deposit, bankers' acceptances and other forms of liquid investments as well as bank deposits.

With the exception of permitted investment in unlisted investments and over-the-counter FDI, investments by a Fund will be restricted to securities and FDI listed or traded on permitted markets as set out in Appendix E. Accordingly, each Fund may invest up to 10% of its Net Asset Value in unlisted securities/securities listed on markets other than those set out in Appendix E provided this is consistent with its investment objective.

The formation of the investment policy for each Fund and any changes to such policy in the light of political and/or economic conditions is the responsibility of the Manager who may change the investment policy for any Fund accordingly. The Trust Deed does not restrict investment policy or

the investment of the Unit Trust's assets, save as described below under Appendix A: Investment Restrictions. Any change in the investment objective or material change in the investment policy of a Fund will require the approval of a majority of votes of the Holders of Units of the relevant Fund cast at a general meeting or by means of a written resolution. Prior notice of any change in investment objective or material change in investment policy of a Fund must be given to Holders in order to enable them to request the redemption of their Units.

Liquidity risk management is an important part of the investment process and will be considered during portfolio construction. The liquidity profile of the Funds' investments may be changed if a period of reduced or heightened liquidity needs is anticipated. The Manager may also utilise the tools described in the sections entitled "**Restrictions on Redemptions**" and "**Anti-Dilution Levy in Relation to Redemption of Units**" to manage the Funds' liquidity risk.

FDI including currency swaps, futures, forwards, options, warrants, equity options, credit default swaps and total return swaps may be used for the purposes of efficient portfolio management ("**EPM**") if deemed advisable by the Adviser, subject to the Regulations and the Central Bank Requirements.

Use of such techniques and instruments should be in line with the best interests of Holders and will generally be made for one or more of the following reasons:

- (i) the reduction of risk;
- (ii) the reduction of cost; or
- (iii) the generation of additional capital or income for the relevant Fund with an appropriate level of risk, taking into account the risk profile of the Fund and the risk diversification rules set out in the Regulations.

In addition, the use of such techniques and instruments must be realised in a cost-effective way and must not result in a change to the investment objective of the Fund or add substantial supplementary risks not covered in this Prospectus. It is therefore the intention of the Manager, in employing such EPM techniques and instruments for these reasons, that their impact on the performance of the relevant Fund will be positive.

Such techniques and instruments include foreign exchange transactions, which are used principally for hedging purposes (to create hedged currency unit classes (hedged back to the base currency of the unit class), or to alter the currency exposure characteristics of portfolio investments). The Adviser may (but is not obliged) to seek to mitigate exchange rate risk by using FDI.

Where provided for in the relevant Supplement, FDI may also be used for investment purposes.

Unless otherwise specified in the relevant Supplement, each Fund shall use the commitment approach to calculate its global exposure as a result of the use of FDI. Accordingly, global exposure and leverage as a result of its investment in FDI shall not exceed 100% of the Net Asset Value of the Fund.

A Sub-Fund may also, where indicated in the relevant Supplement, enter into repurchase, reverse repurchase, sale and buyback agreements and securities lending agreements.

The Manager shall be free at its discretion to take advantage of any wider investment powers which may become permitted under the Regulations.

Where provided for in the relevant Supplement, the Fund may use techniques and instruments, including FDI, 'when issued' and 'forward commitment' securities (which securities are taken into account when calculating the limits in the investment restrictions set out in the Prospectus), for the purpose of EPM in accordance with the Central Bank Requirements. In particular, the Fund may enter into repurchase, reverse repurchase, sale and buyback agreements (together "**Repo Agreements**") and securities lending agreements, credit default swaps ("**CDS**") and total return swaps ("**TRS**") and may enter into forward currency contracts to alter the currency exposure characteristics of portfolio investments. Further information on Repo Agreements and securities lending agreements is set out in the section entitled "Securities Financing Transactions".

Repo Agreements are instruments where one party sells a security and simultaneously agrees to repurchase the securities at a particular time at a specified price. The price is equal to the sale proceeds plus repo interest. The proceeds from the (repoed security) can be reinvested in another investment with a yield which is greater than the repo rate and this should enable the Fund to obtain a return which is greater than that which the security alone can generate. A CDS is a type of over-the-counter traded derivative contract which allows one party to buy protection from another party in respect of potential losses arising from the default of a specified reference credit or credits. A CDS provides the Fund with an alternative to investing in assets themselves for a potentially higher return with the same risk. CDSs may be used to obtain exposure to assets which the Fund could not otherwise acquire due to illiquidity in the relevant market. A TRS is a type of over-the-counter derivative contract which allows the Fund to achieve exposure to an asset or asset class on a synthetic basis. The Fund receives the total return of a reference asset or asset class for a specific period of time in return for a cost of financing. If the investment return is greater than the cost of financing the TRS, the Fund should receive an enhanced return which is greater than that which the underlying asset alone could generate.

The reference asset or asset class of any CDS or TRS will always comprise assets which the Fund itself is permitted to invest in directly under its current investment policy. Any such transaction cannot subject the Fund to a potential loss greater than that which it could obtain in the cash market and may only be carried out in accordance with the Central Bank Requirements.

Where provided for in the relevant Supplement, the Fund may also enter into currency forward contracts which may be used to alter the currency exposure characteristics of certain assets held by the Fund but will never be used for speculative purposes. Such contracts will generally be utilised to gain exposure to a currency in which the Fund may invest directly rather than to purchase the cash assets in that currency.

The Manager uses a risk management process ("**RMP**") which enables it to accurately measure, monitor and manage the various risks associated with the derivative instruments used by each Fund.

Supplementary information will be provided by or on behalf of the Fund to Holders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments held by the Fund.

#### *Asset Replication Strategy*

In respect of certain Funds the Manager, on the recommendation of the Adviser, may decide to avail of the range of techniques and instruments which Funds are permitted to use for the purpose of EPM in accordance with the Regulations to pursue an asset replication strategy (the "**Asset Replication Strategy**"). The Supplement for each Fund will disclose if that Fund is to utilise the Asset Replication Strategy and, in such cases, in addition to the techniques and instruments outlined above, the following additional provisions shall apply.

Each Fund may use techniques and instruments, including FDI, 'when issued' and 'forward commitment' securities (which securities are taken into account when calculating the limits in the investment restrictions set out in the Prospectus), for the purpose of EPM in accordance with the investment restrictions, conditions and limits laid down by the Central Bank. In particular, the Fund may enter into Repo Agreements and securities lending agreements, CDS and TRS and may enter into forward currency contracts to alter the currency exposure characteristics of portfolio investments.

Each Fund may also enter into currency forward contracts which may be used to alter the currency exposure characteristics of certain assets held by the Fund but will never be used for speculative purposes. Such contracts will generally be utilised to gain exposure to a currency in which the Fund may invest directly rather than to purchase the cash assets in that currency.

The use of the Asset Replication Strategy entails additional considerations for investors and these are disclosed in the relevant sub-section of the section of the Prospectus headed "**Special Investment Considerations and Risks**".

## 2.3 Securities Financing Transactions

A Fund may use Securities Financing Transactions in accordance with normal market practice and subject to the conditions and limits of the SFTR and the Central Bank Requirements where provided for in the relevant Supplement. Such Securities Financing Transactions may only be entered into for the purposes of efficient portfolio management.

Any type of assets that may be held by each Fund in accordance with its investment objective and policies may be subject to such Securities Financing Transactions. Where provided for in the relevant Supplement, the Fund may also use TRS. Subject to each Fund's investment objective and policies, there is no limit on the proportion of assets that may be subject to Securities Financing Transactions and TRS and therefore the maximum and expected proportion of a Fund's assets that can be subject to Securities Financing Transactions or TRS can be as much as 100%, i.e. all of the assets of the relevant Fund. In any case the most recent semi-annual and annual accounts of each Fund will express the amount of the Fund's assets subject to Securities Financing Transactions and TRS.

Securities lending means transactions by which one party transfers securities to the other party subject to a commitment that the other party will return equivalent securities on a future date or when requested to do so by the party transferring the securities, that transaction being considered as securities lending for the party transferring the securities. Repurchase agreements are a type of securities lending transaction in which one party sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price reflecting a market rate of interest unrelated to the coupon rate of the securities. A reverse repurchase agreement is a transaction whereby a Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price.

Any Fund that seeks to engage in securities lending should ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

Any Fund that enters into a reverse repurchase agreement should ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is callable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the Net Asset Value of the Fund.

A Fund that enters into a repurchase agreement should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days shall be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund. The Manager shall ensure that all the revenues arising from Securities Financing Transactions and any other efficient portfolio management techniques shall be returned to the relevant Fund following the deduction of any direct and indirect operational costs and fees arising. Such direct and indirect operational costs and fees (which are all fully transparent), which shall not include hidden revenue, shall include fees and expenses payable to repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the Manager from time to time. Such fees and expenses of any repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the Manager, which will be at normal commercial rates together with VAT, if any, thereon, will be borne by the Unit Trust or the Fund in respect of which the relevant party has been engaged. Details of Fund revenues arising and attendant direct and indirect operational costs and fees as well as the identity of any specific repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the Unit Trust from time to time (including whether they are related to the Manager or the Trustee) shall be included in the relevant Fund's semi-annual and annual reports.

While the Manager will conduct appropriate due diligence in the selection of counterparties, including consideration of the legal status, country of origin, credit rating and minimum credit rating (where relevant), it is noted that the Central Bank Requirements do not prescribe any pre trade eligibility criteria for counterparties to a Fund's Securities Financing Transactions. Counterparties to such transactions shall: (1) be entities regulated, approved, registered or supervised in their home jurisdiction; and (2) be located in an OECD Member State, which together will constitute the

Unit Trust's criteria to select counterparties. Counterparties need not have a minimum credit rating. In accordance with the Credit Ratings Agencies Directive (2013/14/EU), the Manager shall not solely or mechanistically rely on credit ratings in determining the credit quality of an issuer or counterparty. However, where a counterparty is downgraded to A-2 or below (or comparable rating) this shall result in a new credit assessment being conducted of the counterparty without delay.

From time to time, a Fund may engage repurchase/reverse repurchase agreements counterparties and/or securities lending agents that are related parties to the Trustee or other service providers of the Unit Trust. Such engagement may on occasion cause a conflict of interest with the role of the Trustee or other service provider in respect of the Unit Trust. Please refer to Section 7.7 "Conflicts of Interest" for further details on the conditions applicable to any such related party transactions. The identity of any such related parties will be specifically identified in the relevant Fund's semi-annual and annual reports.

Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 of the Regulations respectively.

Please refer to Section 3.6 "Derivatives and Securities Financing Transactions Risk" in respect of the risks related to Securities Financing Transactions. The risks arising from the use of Securities Financing Transactions shall be adequately captured in the Unit Trust's risk management process.

## 2.4 Collateral Policy

In the context of efficient portfolio management techniques, including Securities Financing Transactions and/or the use of FDI for hedging or investment purposes, collateral may be received from a counterparty for the benefit of a Fund or posted to a counterparty by or on behalf of a Fund.

Any receipt or posting of collateral by a Fund will be conducted in accordance with the Central Bank Requirements and the terms of the collateral policy for the Unit Trust outlined below.

### *Collateral received by a Fund*

Collateral posted by a counterparty for the benefit of a Fund may be taken into account as reducing the exposure to such counterparty. The relevant Fund will require receipt of the necessary level of collateral to cover daily variation margin calculations as required under EMIR and to ensure counterparty exposure limits are not breached. Counterparty risk may be reduced to the extent that the value of the collateral received corresponds with the value of the amount exposed to counterparty risk at any given time.

Risks linked to the management of collateral, such as operational and legal risks, shall be identified, managed and mitigated by the Manager's risk management processes. A Fund receiving collateral for at least 30% of its assets will have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy will at least prescribe the components set out in Regulation 24 paragraph (8) of the Central Bank Requirements.

For the purpose of providing margin or collateral in respect of transactions in techniques and instruments, the Fund may transfer, mortgage, pledge, charge or encumber any assets or cash forming part of the Fund in accordance with normal market practice (including the transfer of daily variation margins) and the requirements outlined in the Central Bank Requirements.

Collateral received by a Fund from a counterparty on a title transfer basis shall be held by the Trustee or a duly appointed sub-depositary.

Collateral provided by a Fund on a title transfer basis shall no longer belong to the Fund and shall pass outside the custodial network. The counterparty may use those assets at its absolute discretion. Assets provided to a counterparty other than on a title transfer basis shall be held by the Trustee or a duly appointed sub-depositary. Investors' attention is drawn to the relevant risk disclosures in this respect set out in the Prospectus under the headings **Credit Risk and Counterparty Risk** and **Collateral Risk**.

### *Acceptable collateral*

Collateral received from a counterparty for the benefit of the Fund may be in the form of cash or non-cash assets and non-cash assets must, at all times, meet with the specific criteria outlined in the Central Bank Requirements in relation to (i) liquidity; (ii) valuation; (iii) issuer credit quality; (iv) correlation; (v) diversification (asset concentration); and (vi) immediate availability:

- (i) Liquidity: Collateral received other than cash should be 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. Collateral received should also comply with the provisions of Regulation 74 of the Regulations.
- (ii) Valuation: Collateral received 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 (as referred to below) are in place.
- (iii) Issuer credit quality: Collateral received should be of high quality.
- (iv) Correlation: Collateral received should be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty.
- (v) Diversification (asset concentration): Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Fund's Net Asset Value. When the Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer .
- (vi) Immediate availability: Collateral received should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.

There are no restrictions on maturity provided the collateral is sufficiently liquid.

Where appropriate, non-cash collateral held for the benefit of a Fund shall be valued in accordance with the valuation policies and principles applicable to the Unit Trust. Subject to any agreement on valuation made with the counterparty, collateral posted to a recipient counterparty will be valued daily at mark-to-market value.

The Adviser shall apply suitably conservative haircuts to assets received as collateral where appropriate on the basis of an assessment of the characteristics of the assets such as the credit standing, the price volatility, and, where relevant, the outcome of any stress tests, in accordance with the requirements of EMIR. EMIR does not require the application of a haircut for cash variation margin. Accordingly any haircut applied to cover currency risk will be as agreed with the relevant counterparty. The Adviser has determined that generally if issuer or issue credit quality of the collateral is not of the necessary quality or the collateral carries a significant level of price volatility with regard to residual maturity or other factors, a conservative haircut must be applied in accordance with more specific guidelines as will be maintained in writing by the Adviser on an ongoing basis. To the extent that a Fund avails of the increased issuer exposure facility in section 5(ii) of Schedule 3 of the Central Bank Requirements, such increased issuer exposure may be to any of the issuers listed in section 2.12 of Appendix A to this Prospectus.

Non-cash collateral cannot be sold, pledged or re-invested.

Cash collateral may not be invested other than in the following:

- (i) deposits with Relevant Institutions;
- (ii) high-quality government bonds;
- (iii) reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on an accrued basis;



- (iv) short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049).

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral. Cash collateral may not be placed on deposit with the relevant counterparty or a related entity. Exposure created through the reinvestment of collateral must be taken into account in determining risk exposures to a counterparty. Re-investment of cash collateral in accordance with the provisions above can still present additional risk for the Fund. Investors' attention is drawn to the paragraph headed **Reinvestment of Cash Collateral Risk** in section 3 of the Prospectus (**Special Investment Considerations and Risks**) for more details.

#### *Collateral posted by a Fund*

Collateral posted to a counterparty by or on behalf of a Fund must be taken into account when calculating counterparty risk exposure other than where it is protected by client money rules or similar arrangements. Collateral posted to a counterparty and collateral received by such counterparty may be taken into account on a net basis provided the relevant Fund is able to legally enforce netting arrangements with the counterparty.

Collateral posted to a counterparty by or on behalf of a Fund will consist of such collateral as is agreed with the counterparty from time to time and may include any types of assets held by the Fund.

## 2.5 Borrowings

The Trust Deed enables borrowings to be undertaken on a temporary basis in accordance with the Regulations for the account of any Fund up to a limit of 10% of the net assets of the relevant Fund at the time of borrowing. The assets of the relevant Fund may be charged or pledged as security for any such borrowings.

## 2.6 Income Units, Income Plus Units and Accumulation Units

The Manager may issue Income Units, Income Plus Units and Accumulation Units in the Funds. Details of the classes of Units currently in issue for each Fund are set out in the applicable Supplement.

### Income Units

Income Units entitle holders to receive at each Distribution Date payment of the net income earned and attributable to the Income Units. Payments of net income will either be reinvested in further Income Units in the relevant Fund, or paid out as cash. Please see the relevant Supplement for further information.

### Income Plus Units

Income Plus Units are units that seek to distribute a stable and consistent amount of net income earned and attributable to the Income Plus Units at each Distribution Date. Further details on Income Plus Units are set out in the section entitled "Distribution Policy".

### Accumulation Units

Accumulation Units carry no right to any distribution of income. The net income earned and attributable to Accumulation Units (if any) will be retained within the Fund on a daily basis, so increasing the value of the interest in the Fund of each Accumulation Unit relative to an Income Unit or an Income Plus Unit.

**Investors who fail to nominate the type of Unit in a Fund, in which they wish to invest, will receive Accumulation Units for that Fund.**

The Manager may issue the following classes: A, B, D, I, F, N, P, R, Z, X.

Each class may issue Income or Accumulation Units. The differences between these Units are the different levels of fees and minimum application amounts applicable to each class. Please refer to the relevant Supplement for information on the level of fees and minimum application amounts.

Unless provided otherwise in the relevant Supplement, all classes may be offered to the retail sector and may be purchased by individual or institutional investors or distributors, paying agents, brokers or other financial intermediaries.

The N and I Class Units are suitable for investment only by investors which according to regulatory requirements, or based on individual fee arrangements with their clients, are not allowed to accept and keep trail commissions.

The X Class Units are only available at the discretion of the Manager, to investors who have agreed specific terms of business which may include an agreement covering a separate charging structure.

## 2.7 Hedged and Unhedged Units

Units in the relevant Fund may be denominated in the same or in different currencies. Where a class of Units is denominated in a currency other than the relevant Fund's Base Currency, the Manager shall determine whether such Units shall be constituted as hedged or unhedged Units. In the case of a hedged class of units ("**Hedged Units**") the Fund shall enter into certain currency-related transactions through the use of EPM techniques (including exchange rate swap contracts, currency options, forward currency transactions and other instruments) in order to seek to hedge out currency risk of a hedged class of Units.

Unless otherwise disclosed in the relevant Supplement, this will involve a class designated in a currency other than the Base Currency being hedged against (i) exchange rate fluctuation risks between the designated currency of the class and the Base Currency of the relevant Fund; or (ii) exchange rate fluctuation risks between the designated currency of the class and the other denominated currencies of the Fund's assets.

To the extent that hedging is successful for a particular class, the performance of the class is likely to move in line with the performance of the underlying assets.

Any financial instruments used to implement such currency hedging strategies with respect to one or more classes shall be assets/liabilities of the Fund but will be attributable to the relevant class(es) and the profit and loss (realised and unrealised) on, and the costs of the currency hedging transactions (including any administrative costs arising from additional risk management) will accrue solely to the relevant class. However, investors should note that there is no segregation of liability between Unit classes. Although the costs, profits and losses of the currency hedging transactions will accrue solely to the relevant class, Unitholders are nonetheless exposed to the risk that hedging transactions undertaken in one class may impact negatively on the Net Asset Value of another class. Please refer to the section entitled "**Special Investment Considerations and Risks; Currency Hedging at Units Class Level Risk**" for more details.

Any additional risk introduced to the Fund through the use of currency hedging for a given Unit class should be mitigated and monitored appropriately. Accordingly, in accordance with the Central Bank Requirements, the following operational provisions will apply to any currency hedging transactions:

- Counterparty exposure should be managed in accordance with the limits in the Regulations and the Central Bank Requirements.
- Over-hedged positions should not exceed 105 per cent. of the portion of the net assets of the relevant class which is to be hedged against currency risk.
- Under-hedged positions should not fall short of 95 per cent. of the portion of the net assets of the relevant class which is to be hedged against currency risk.
- Hedged positions will be kept under review on an ongoing basis, at least at the same valuation frequency of the Fund, to ensure that over hedged or under hedged positions do not exceed/fall short of the permitted levels disclosed above.
- Such review (referred to above) will incorporate a procedure to rebalance the hedging arrangements on a regular basis to ensure that any such position stays within the permitted position levels disclosed above and is not carried forward from month to month.
- The currency exposures of different currency classes may not be combined or offset and currency exposures of assets of the Fund may not be allocated to separate Unit classes.

Notwithstanding the above, there can be no guarantee that the hedging techniques will be successful and, while not intended, this activity could result in over-hedged or under-hedged positions due to external factors outside the control of the Fund. Further, these hedging techniques are designed to reduce a Unitholder's exposure to currency risk. The use of such class hedging techniques may therefore substantially limit holders of Units in the relevant classes from benefiting if the currency of that class falls against that of the Base Currency of the relevant Fund and/or the currency in which the assets of the relevant Fund are denominated. There are additional considerations for investors inherent in the use of Hedged Units and these are disclosed in the relevant sub-section of the section of the Prospectus headed "**Special Investment Considerations and Risks; Currency Risk**".

Details of any Hedged Units and the currency against which they are hedged are set out in the relevant Supplement.

## 2.8 Use of a Subscriptions/Redemptions Account

The Unit Trust operates a single, omnibus Subscriptions/Redemptions Account for all of the Funds, in accordance with the Central Bank's requirements. Accordingly, monies in the Subscriptions/Redemptions Account are deemed assets of the respective Funds and shall not have the protection of the Investor Money Regulations. It should be noted that the Trustee will monitor the Subscriptions/Redemptions Account in performing its cash monitoring obligations and ensuring effective and proper monitoring of the Unit Trust's cash flows in accordance with its obligations as prescribed under UCITS V. There nonetheless remains a risk for investors to the extent that monies are held by the Unit Trust in the Subscriptions/Redemptions Account for the account of a Fund at a point where such Fund (or other Fund of the Unit Trust) becomes insolvent. In respect of any claim by an investor in relation to monies held in the Subscriptions/Redemptions Account, the investor shall rank as an unsecured creditor of the Unit Trust.

The Manager in conjunction with the Trustee operates a policy to govern the operation of the Subscriptions/Redemptions Account, in accordance with the Central Bank's guidance in this area. This policy shall be reviewed by the Manager and the Trustee at least annually.

## 2.9 References to Benchmarks

Certain Funds may refer to indices within the Supplement of the relevant Funds. These indices may be referenced for various purposes including, but not limited to (i) operating as a reference benchmark which the Fund seeks to outperform; (ii) relative VaR measurement; and (iii) calculating performance fees. The particular purpose of the relevant index shall be clearly disclosed in the relevant Supplement. Where an index is used for the purposes of (i) above this will not constitute use of an index within the meaning of Article 3(1)(7)(e) of the Benchmark Regulation unless the relevant Supplement (in particular as part of its investment policy or strategy) defines constraints on the asset allocation of the portfolio in relation to the index (e.g. an investment restriction that the Fund must invest only in components of the index or must be partially invested in line with index composition). Other references to indices, including for example for the purposes of relative VaR measurement as outlined at (ii) above, may not constitute use of an index within the meaning of Article 3 (1)(7)(e) of the Benchmark Regulation. Holders should note that the Unit Trust and/or its distributors may from time to time refer to other indices in marketing literature or other communications purely for financial or risk comparison purposes. However, unless such indices are referred to as such in the Supplement of the Fund they are not formal benchmarks against which the Fund is managed.

Where relevant the Manager shall put in place written plans, in accordance with Article 28(2) of the Benchmark Regulation, detailing the actions it will take in the event that any index it uses for any Fund in accordance with Article 3 (1)(7)(e) of the Benchmark Regulation materially changes or ceases to be provided. These written plans shall detail the steps the Manager will take to nominate a suitable alternative index.

Any index used by a Fund in accordance with Article 3 (1)(7)(e) of the Benchmark Regulation shall be provided by an administrator either included in the register referred to in Article 36 of the Benchmark Regulation or availing of the transitional arrangements pursuant to Article 51 of the Benchmark Regulation.

## 2.10 Data Protection

Prospective investors should note that, by virtue of making an investment in the Unit Trust and the associated interactions with the Manager and its affiliates and delegates (including completing the Application Form, and including the recording of electronic communications or phone calls where applicable), or by virtue of providing the Manager on behalf of the Unit Trust with personal information on individuals connected with the investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such individuals will be providing the Manager on behalf of the Unit Trust and its affiliates and delegates with certain personal information which constitutes personal data within the meaning of the Data Protection Legislation. The Manager on behalf of the Unit Trust shall act as a data controller in respect of this personal data and its affiliates and delegates, such as the Administrator and the Adviser, may act as data processors (or data controllers in some circumstances).

The Manager has prepared a document outlining its data protection obligations on behalf of the Unit Trust and the data protection rights of individuals under the Data Protection Legislation (the "**Privacy Notice**").

All new investors shall receive a copy of the Privacy Notice as part of the process to subscribe for Units in the Unit Trust.

The Privacy Notice contains information on the following matters in relation to data protection:

- that investors will provide the Manager on behalf of the Unit Trust with certain personal information which constitutes personal data within the meaning of the Data Protection Legislation;
- a description of the purposes and legal bases for which the personal data may be used;
- details on the transmission of personal data, including (if applicable) to entities located outside the EEA;
- details of data protection measures taken by the Manager on behalf of the Unit Trust;
- an outline of the various data protection rights of individuals as data subjects under the Data Protection Legislation;
- information on the Manager's policy for retention of personal data on behalf of the Unit Trust;
- contact details for further information on data protection matters.

Given the specific purposes for which the Manager on behalf of the Unit Trust and its affiliates and delegates envisage using personal data, under the provisions of the Data Protection Legislation, it is not anticipated that individual consent will be required for such use. However, as outlined in the Privacy Notice, individuals have the right to object to the processing of their data where the Manager on behalf of the Unit Trust has considered this to be necessary for the purposes of its or a third party's legitimate interests.

## 3 SPECIAL INVESTMENT CONSIDERATIONS AND RISKS

### 3.1 General

There are risks associated with investment in the Unit Trust and in the Units of each Fund.

The risks described in this Prospectus should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in a Fund. Potential investors should be aware that an investment in a Fund may be exposed to other risks from time to time.

Different risks may apply to different Funds and/or classes. Details of specific risks attaching to a particular Fund or class which are additional to those described in this section will be disclosed in the relevant Supplement.

The investments of each Fund are subject to normal market fluctuations and other risks inherent in investing in equity, debt or preferred securities. There can be no guarantee against loss, nor any assurance that a Fund's investment objective will be attained.

**The value of investments and the income from them, and therefore the value of, and income from, the Units of each class can fall as well as rise and investors may not realise the same amount that they invest.**

**Settlement Risk:** Each Fund will be exposed to credit risk on parties with which it trades and will bear the risk of settlement default. Market practices in relation to the settlement of securities transactions and the custody of assets could provide increased risks. A Fund will be exposed to a credit risk on parties with whom it trades and may also bear the risk of settlement default. The Trustee may be instructed by the Adviser to settle transactions on a delivery free of payment basis where the Adviser believes that this form of settlement is appropriate. Holders should be aware, however, that this may result in a loss to a Fund if a transaction fails to settle and the Trustee will not be liable to the Fund or the Holders for such a loss, provided the Trustee has acted in good faith in making any such delivery or payment.

**Currency Risk:** Changes in exchange rates between currencies may cause the value of an investment to diminish or increase. In addition to favourable and unfavourable currency exchange rate developments, the Funds are subject to the possible imposition of exchange control regulations or currency blockages with respect to their investments. Additionally, investment decisions made on behalf of a Fund will not always prove to have been profitable.

Assets of a Fund may be denominated in a currency other than the Base Currency of the Fund and changes in the exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of the Fund's assets as expressed in the Base Currency. The Adviser may, depending on the investment objective of the Fund, seek to mitigate this exchange rate risk by using FDI. No assurance, however, can be given that such mitigation will be successful.

Classes of Units in a Fund may be denominated in currencies other than the Base Currency of the Fund and a Fund may enter into currency exchange transactions and/or use FDI (at a Fund level or, in certain circumstances as described in this Prospectus, at a class level) to seek to protect against fluctuation as a result of changes in currency exchange rates. Although these transactions are intended to minimise the risk of loss due to a decline in the value of the hedged currency, they also limit any potential gain that might be realised should the value of the hedged currency increase. The precise matching of the relevant contract amounts and the value of the securities involved will not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the relevant contract is entered into and the date when it matures. The successful execution of a hedging strategy cannot be assured. It may not be possible to hedge against generally anticipated exchange fluctuations at a price sufficient to protect the assets from the anticipated decline in value as a result of such fluctuations.

**Currency Hedging at Unit Class Level Risk:** Hedging activity at Unit class level may expose the Fund to cross contamination risk as it may not be possible to ensure (contractually or otherwise) that a counterparty's recourse in any such arrangements is limited to the assets of the relevant Unit class. Although the costs, gains and losses of the currency hedging transactions will accrue solely to the relevant Unit class, investors are nonetheless exposed to the risk that currency hedging transactions undertaken in one Unit class may impact negatively on another Unit class, particularly where (pursuant to EMIR) such currency hedging transactions require the Fund to post collateral (i.e. initial or variation margin). Any such collateral is posted by a Fund and at the Fund's risk (rather than by the Unit class and at the risk of the Unit class only because the Unit class does not represent a segregated portion of the Fund's assets) thus exposing investors in other Unit classes to a proportion of this risk.

**Valuation Risk:** A Fund may invest some of its assets in unquoted securities. Such investment will be valued in accordance with the valuation techniques set out in Appendix B. The Manager may consult with the Adviser with respect to the valuation of unquoted investments. There is an inherent conflict of interest between the involvement of the Adviser in determining the valuation price of certain of a Fund's investments and the Adviser's other responsibilities. Estimates of the fair value of such investments are inherently difficult to establish and are subject to substantial uncertainty. Each Fund may, for the purpose of EPM, use FDI in which case there can be no assurance that the valuation as determined in accordance with the provisions set out in Appendix B reflects the exact amount at which the instrument may be closed out.

**Interest Rate Risk:** The value of Units may be affected by substantial adverse movements in interest rates. When interest rates fall, the price of debt and preferred securities rises. During periods of falling interest rates, an issuer may also exercise its option to prepay principal earlier than scheduled, forcing a Fund to reinvest in lower yielding securities ('prepayment risk'). In relation to preferred securities, other circumstances, for example, a change in law may also cause an issuer to redeem securities earlier than scheduled.

When interest rates rise, the price of debt and preferred securities declines. In periods of rising interest rates, the average life of certain securities may be extended because of slower than expected principal payments. This may lock in a below market interest rate, increase the securities duration, and reduce the securities value ('extension risk').

To the extent that a Fund uses hedging and other transactions to reduce its exposure to increases in interest rates, it could result in poorer overall performance of the Fund, as it results in costs to the Fund, and is dependent on the Fund's ability to predict correctly changes in interest rate relationships.

**Credit Risk:** In addition, the value of debt and preferred securities held by a Fund may be affected by factors such as the credit rating of the entity that issued the security and its maturity. Lower quality and longer maturity securities will be subject to greater credit risk and price fluctuations than higher quality and shorter maturity securities.

Fixed income securities that are not investment grade are commonly referred to as high yield securities. These securities offer a potentially higher yield than other, higher rated securities, but they carry a greater degree of risk and are considered speculative by the major credit rating agencies.

In relation to preferred securities, credit risk may manifest itself not only as a decline in the security's price, or its failure, but also as a failure to make dividend payments when due. Preferred securities are subordinated borrowing to bonds and other debt instruments in a company's capital structure, in terms of priority to corporate income, and therefore will be subject to greater credit risk than those debt instruments.

There can be no assurance that issuers of the securities or other instruments in which a Fund invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments (as well as any appreciation of sums invested in such securities). There is no certainty in the credit worthiness of issuers of debt securities. Unstable market conditions may mean there are increased instances of default amongst issuers.

**Credit Ratings Risk:** The ratings of fixed-income securities by Moody's and Standard & Poor's are a generally accepted barometer of credit risk. They are, however, subject to certain limitations from an investor's standpoint. The rating on an issuer or a security is heavily weighted by past performance and does not necessarily reflect probable future conditions. There is frequently a lag between the time the rating is assigned and the time it is updated. In addition, there may be varying degrees of difference in credit risk of securities within each rating category. In the event of a down-grading of the credit rating of a security or an issuer relating to a security, the value of a Fund investing in such security may be adversely affected.

**Equity Risks:** A Fund may invest directly or indirectly in equity securities. The price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions. Prices of equities fluctuate daily dependent on market conditions. Markets can be influenced by a series of factors such as political and economic news, corporate earnings reports, demographic trends, catastrophic events and wider market expectations. The value of equities can fall as well as rise. Potentially a Fund investing in equities could incur significant losses.

Investing in equity securities may offer a higher rate of return than those investing in short term and longer term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. As a result, the market value of the equity securities that it invests in may go down and the relevant Fund may suffer losses. Factors affecting the equity securities are numerous, including but not limited to changes in investment sentiment, political

environment, economic environment, and the business and social conditions in local and global marketplace. Securities exchanges typically have the right to suspend or limit trading in any security traded on the relevant exchange; a suspension will render it impossible to liquidate positions and can thereby expose the relevant Fund to losses.

**Equity Related Securities Risk:** A Fund may invest in instruments such as ADRs and GDRs, which in addition to the risks of investments in foreign securities described herein, may not necessarily be denominated in the same currency as the underlying securities into which they may be converted. Ownership of unsponsored ADRs and GDRs may not entitle the Fund to financial or other reports from the issuer, to which they would be entitled as the owner of sponsored ADRs and GDRs.

**Market Capitalisation Risk:** Certain Funds may invest in the securities of small-to-medium-sized (by market capitalisation) companies, or FDI related to such securities. Such securities may have a more limited market than the securities of larger companies. Accordingly, it may be more difficult to effect sales of such securities at an advantageous time or without a substantial drop in price than securities of a company with a large market capitalisation and broad trading market. In addition, securities of small-to-medium-sized companies may have greater price volatility as they are generally more vulnerable to adverse market factors such as unfavourable economic reports. Additional risk factors associated with companies whose market capitalisation is small or mid-cap may include but are not limited to the following: limited or unproven operating history; weak or leveraged balance sheets, limited borrowing capacity; low or negative profit margins; high concentration of sales from limited number of customers; competition from more established companies; and key-man management risk.

**Unlisted Securities:** A Fund may invest up to 10% of its Net Asset Value in unlisted securities. In general there is less governmental regulation and supervision of transactions in the unlisted securities markets than for transactions entered into on organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with unlisted securities. Therefore, any Fund investing in unlisted securities will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Fund will sustain losses.

**Restricted Securities.** A Fund may invest in securities purchased in private placements or pursuant to U.S. Securities Act Rule 144A (if available), including Rule 144A Securities which have not been issued with an undertaking to register them with the U.S. Securities and Exchange Commission, provided that they are eligible investments for the Fund. Where relevant, investment in Rule 144A Securities will be subject to the investment restrictions set out in Appendix A. Rule 144A Securities are securities that are not registered under the 1933 Act but can be sold to institutional investors in accordance with Rule 144A under the 1933 Act. These securities may be subject to limitations on resale or transfer as a matter of law or contract. They are normally resold only to institutional investors. There can be no assurance that a Fund will be able to dispose of such securities readily.

**Investment in Collective Investment Schemes (CIS):** A Fund may invest in one or more CIS including schemes managed by the Adviser or its affiliates. There may be additional costs involved when investing into these underlying CIS. As a shareholder of another CIS, a Fund would bear, along with other shareholders, its pro rata portion of the expenses of the other CIS, including investment management and/or other fees. These fees would be in addition to the Adviser's fees and other expenses which a Fund bears directly in connection with its own operations. On the other hand, where a commission (including a rebated commission) or any quantifiable monetary benefits is received by the Manager or Adviser in connection with an investment in the units of another CIS, this commission must be paid into the property of the relevant Fund.

CIS may have different settlement cycles than that of the Funds. Thus, there may be mismatch between the two settlement cycles causing the Funds to use borrowing on a temporary basis to meet such obligations. This may result in charges being incurred by the relevant Fund. Any such borrowing will comply with the Regulations. Further, each CIS may not be valued at the same time or on the same day as the relevant Fund and accordingly the net asset value of such CIS used in the calculation of the Net Asset Value of the relevant Fund will be the latest available net asset

value of such CIS (further details on the calculation of the Net Asset Value are set out in Appendix B).

CIS may be leveraged. This includes the use of borrowed funds and investments in FDI. Also, they may engage in short sales. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. The level of interest rates generally, and the rates at which such funds may be borrowed in particular, could affect the operating results of the relevant Fund.

To the extent that the relevant Fund is invested in CIS, the success of the relevant Fund shall depend upon the ability of the CIS to develop and implement investment strategies that achieve the relevant Funds' investment objective. Subjective decisions made by the CIS may cause the relevant Fund to incur losses or to miss profit opportunities on which it could otherwise have capitalised. In addition, the overall performance of the relevant Fund will be dependent not only on the investment performance of the CIS, but also on the ability of the Adviser to select and allocate the Funds' assets among such CIS effectively on an ongoing basis. There can be no assurance that the allocations made by the Adviser will prove as successful as other allocations that might otherwise have been made, or as adopting a static approach in which CIS are not changed.

**Cyber Security Risk:** The Unit Trust and its service providers' use of internet, technology and information systems may expose the Unit Trust and the Funds to potential risks linked to cyber security breaches of those technological or information systems. Cyber security breaches, amongst other things, could allow an unauthorized party to gain access to proprietary information, customer data, or fund assets, or cause a Fund and/or its service providers to suffer data corruption or lose operational functionality.

**Tax Risk:** The income and/or gains of the Unit Trust or Fund from its securities and assets may suffer withholding tax in the countries where such income and/or gains arise. The Unit Trust or Fund may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in repayment to the Fund, the Net Asset Value or the relevant Fund will not be restated and the benefit will be allocated to the existing Unitholders at the time of repayment. Where a Fund invests in assets that are not subject to withholding tax at the time of acquisition, there can be no assurance that tax may not be withheld in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The Fund may not be able to recover such withheld tax and so any change may have an adverse effect on the Net Asset Value of the Units.

Potential investors' attention is drawn to the taxation risks associated with investing in the Fund. See "**Taxation**" below.

**FATCA:** The United States and Ireland have entered into an intergovernmental agreement to implement FATCA (the "**IGA**"). Under the IGA, an entity classified as a reporting Foreign Financial Institution (an "**FFI**") that is treated as resident in Ireland is required to provide the Revenue Commissioners with certain information in respect of its "account" holders (i.e. Holders). The IGA provides for the automatic reporting and exchange of information between the Revenue Commissioners and the IRS in relation to accounts held in Irish reporting FFIs by U.S. persons, and the reciprocal exchange of information regarding U.S. financial accounts held by Irish residents. The Unit Trust expects to be treated as an FFI and provided it complies with the requirements of the IGA and the Irish legislation, it should not be subject to FATCA withholding on any payments it receives and may not be required to withhold on payments which it makes. Although the Unit Trust will attempt to satisfy any obligations imposed on it to avoid the imposition of the FATCA withholding tax, no assurance can be given that the Unit Trust will be able to satisfy these obligations. In order to satisfy its FATCA obligations, the Unit Trust will require certain information from investors in respect of their FATCA status. If the Unit Trust becomes subject to a withholding tax as a result of the FATCA regime, the value of the Units held by all Holders may be materially affected. All prospective investors / Holders should consult with their own tax advisors regarding the possible implications of FATCA on an investment in the Unit Trust.

**CRS:** Ireland has provided for the implementation of CRS through section 891F of the TCA and the enactment of the Returns of Certain Information by Reporting Financial Institutions Regulations 2015 (the "**CRS Regulations**"). The CRS, which has applied in Ireland since 1 January 2016, is a



global OECD tax information exchange initiative which is aimed at encouraging a coordinated approach to disclosure of income earned by individuals and organisations. The Unit Trust is a Reporting Financial Institution for CRS purposes and will be required to comply with the Irish CRS obligations. In order to satisfy its CRS obligations, the Unit Trust will require its investors to provide certain information in respect of their tax residence and may, in some cases, require information in relation to the tax residence of the beneficial owners of the investor. The Unit Trust, or a person appointed by the Unit Trust, will report the information required to the Revenue Commissioners by 30 June in the year following the year of assessment for which a return is due. The Revenue Commissioners will share the appropriate information with the relevant tax authorities in participating jurisdictions. All prospective investors / shareholders should consult with their own tax advisors regarding the possible CRS implications of an investment in the Unit Trust.

**Subscriptions/Redemptions Account:** The Unit Trust operates a Subscriptions/Redemptions Account for all of the Funds. Monies in the Subscriptions/Redemptions Account are deemed assets of the respective Funds and shall not have the protection of the Investor Money Regulations. Investors are advised to promptly comply with any subscription requirements, such as the provision of the relevant anti-money laundering documentation, as monies due to an investor as a result of redemption or dividend activity cannot otherwise be transferred to the investor. There is a risk for investors to the extent that monies are held by the Unit Trust in the Subscriptions/Redemptions Account for the account of a Fund at a point where such Fund (or another Fund of the Unit Trust) becomes insolvent. In respect of any claim by an investor in relation to monies held in the Subscriptions/Redemptions Account, the investor shall rank as an unsecured creditor of the Unit Trust.

**Depository Risk:** If a Fund invests in assets that are financial instruments that can be held in custody ("**Custody Assets**"), the Trustee is required to perform full safekeeping functions and will be liable for any loss of such assets held in custody unless it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. In the event of such a loss (and the absence of proof of the loss being caused by such an external event), the Trustee is required to return identical assets to those lost or a corresponding amount to the Fund without undue delay.

If a Fund invests in assets that are not financial instruments that can be held in custody ("**Non-Custody Assets**"), the Trustee is only required to verify the Fund's ownership of such assets and to maintain a record of those assets which the Trustee is satisfied that the Fund holds ownership of. In the event of any loss of such assets, the Trustee will only be liable to the extent the loss has occurred due to its negligent or intentional failure to properly fulfil its obligations pursuant to the Trust Deed.

As it is likely that the Funds may each invest in both Custody Assets and Non-Custody Assets, it should be noted that the safekeeping functions of the Trustee in relation to the respective categories of assets and the corresponding standard of liability of the Trustee applicable to such functions differs significantly.

The Funds enjoy a strong level of protection in terms of depository liability for the safekeeping of Custody Assets. However, the level of protection for Non-Custody Assets is significantly lower. Accordingly, the greater the proportion of a Fund invested in categories of Non-Custody Assets, the greater the risk that any loss of such assets that may occur may not be recoverable. While it will be determined on a case-by-case whether a specific investment by the Fund is a Custody Asset or a Non-Custody Asset, generally it should be noted that FDI traded by a Fund over-the-counter will be Non-Custody Assets. There may also be other asset types that a Fund invests in from time to time that would be treated similarly. Given the framework of depository liability under UCITS V, these Non-Custody Assets, from a safekeeping perspective, expose the Fund to a greater degree of risk than Custody Assets, such as publicly traded equities and bonds.

### 3.2 FDI and Securities Financing Transactions Risks:

**General:** The use of FDI and Securities Financing Transactions may result in greater returns but may entail greater risk for your investment. FDI may be used as a means of gaining indirect exposure to a specific asset, rate or index and/or as part of a strategy designed to reduce exposure to other risks, such as interest rate or currency risk. Use of FDI involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other

investments. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of the FDI may not correlate perfectly with the underlying asset, rate or index.

Investing in a FDI could cause the Fund to lose more than the principal amount invested. Also, suitable FDI transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in these transactions to reduce exposure to other risks when that would be beneficial.

The prices of FDI are highly volatile. Price movements of FDI contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, national and international political and economic events, changes in local laws and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The use of FDI also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates; (2) imperfect correlation between the hedging instruments and the securities or market sectors being hedged; (3) the fact that skills needed to use these instruments are different from those needed to select the Fund's securities; and (4) the possible absence of a liquid market for any particular instrument at any particular time.

Securities Financing Transactions create several risks for the Unit Trust and its investors, including counterparty risk if the counterparty to a Securities Financing Transaction defaults on its obligation to return assets equivalent to the ones provided to it by the relevant Fund and liquidity risk if the Fund is unable to liquidate collateral provided to it to cover a counterparty default.

**Absence of Regulation; Counterparty Risk:** In general, there is less government regulation and supervision of transactions in the OTC markets (in which currencies, spot and option contracts, certain options on currencies and swaps are generally traded) than of transactions entered into on recognised exchanges. OTC FDI lack transparency as they are privately negotiated contracts and any information concerning them is usually only available to the contracting parties. While measures are being introduced under Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories ("EMIR") that aim to mitigate risks involved in investing in OTC FDI and improve transparency, these types of investments continue to present challenges in clearly understanding the nature and level of risks involved. In addition, many of the protections afforded to participants on some recognised exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with OTC transactions.

The counterparty for an OTC FDI will be the specific firm involved in the transaction rather than a recognised exchange and accordingly the bankruptcy or default of a counterparty with which the Fund trades OTC FDI could result in substantial losses to the Fund. In addition, a counterparty may refrain from settling a transaction in accordance with its terms and conditions because the contract is not legally enforceable or because it does not accurately reflect the intention of the parties or because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Regardless of the measures the Fund may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Fund will not sustain losses on the transactions as a result. Counterparty exposure will be in accordance with the Fund's investment restrictions.

**Credit Risk and Counterparty Risk:** Funds will be exposed to a credit risk in relation to the counterparties with whom they transact or place margin or collateral in respect of transactions in FDI or Securities Financing Transactions. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Regardless of the measures the Fund may

implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Fund will not sustain losses on the transactions as a result.

**Correlation Risk:** The prices of FDI may be imperfectly correlated to the prices of the underlying securities, for example, because of transaction costs and interest rate movements.

**Collateral Risk:** Collateral or margin may be passed by the Fund to a counterparty or broker in respect of OTC FDI transactions or Securities Financing Transactions. Assets deposited as collateral or margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy. Where collateral is posted to a counterparty or broker by way of title transfer, the collateral may be re-used by such counterparty or broker for their own purpose, thus, exposing the Fund to additional risk.

**Forward Trading:** Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardised. Rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated. There is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. Market illiquidity or disruption could result in major losses to a Fund.

**Foreign Exchange Transactions:** Where a Fund utilises FDI which alter the currency exposure characteristics of securities held by the Fund the performance of the Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

**Futures and Options Trading is Speculative and Volatile:** Substantial risks are involved in trading futures, forward and option contracts and various other instruments in which a Fund may trade. Certain of the instruments in which a Fund may invest are sensitive to interest rates and foreign exchange rates, which means that their value and, consequently, the Net Asset Value, will fluctuate as interest and/or foreign exchange rates fluctuate. The Fund's performance, therefore, will depend in part on its ability to anticipate and respond to such fluctuations in market interest rates and foreign exchange rates, and to utilise appropriate strategies to maximise returns to the Fund, while attempting to minimise the associated risks to its investment capital. Variance in the degree of volatility of the market from the Fund's expectations may produce significant losses to the Fund.

The low initial margin deposits normally required to establish a futures position permit a high degree of leverage. As a result, a relatively small movement in the price of a futures contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further loss exceeding any margin deposited. Further, when used for hedging purposes there may be an imperfect correlation between these instruments and the investments or market sectors being hedged. Transactions in over-the-counter FDI may involve additional risk as there is no exchange or market on which to close out an open position. It may be impossible to liquidate an existing position, to assess or value a position or to assess the exposure to risk. Warrants give a Fund the right to subscribe to or purchase securities in which a Fund may invest. The underlying security may be subject to market volatility thus rendering an investment in a warrant a higher risk than an investment in an equity security.

**Legal Risk:** The use of OTC FDI, such as forward contracts, credit derivatives, swap agreements, contracts for difference and Securities Financing Transactions, will expose the Funds to the risk that the legal documentation of the relevant contract may not accurately reflect the intention of the parties.

**Margin Risk:** A Fund may be obliged to pay margin deposits and option premia to brokers in relation to futures and option contracts entered into for the relevant Fund. While exchange traded contracts are generally guaranteed by the relevant exchange, the relevant Fund may still be exposed to the fraud or insolvency of the broker through which the transaction is undertaken. The relevant Fund will seek to minimise this risk by trading only through high quality names.

**Liquidity Risk:** Liquidity risk exists when a particular FDI is difficult to purchase or sell. If a FDI transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated FDI), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

**Liquidity of Futures Contracts:** Futures positions may be illiquid because certain exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent a Fund from liquidating unfavourable positions.

**Necessity for Counterparty Trading Relationships:** Participants in the OTC currency market typically enter into transactions only with those counterparties which they believe to be sufficiently creditworthy, unless the counterparty provides margin, collateral, letters of credit or other credit enhancements. While the Adviser believes that it will be able to establish the necessary counterparty business relationships to permit a Fund to effect transactions in the OTC markets, there can be no assurance that it will be able to do so. An inability to establish such relationships would limit a Fund's activities and could require a Fund to conduct a more substantial portion of such activities in the cash or exchange traded markets. Moreover, the counterparties with which a Fund expects to establish such relationships will not be obligated to maintain the credit lines extended to a Fund, and such counterparties could decide to reduce or terminate such credit lines at their discretion.

**Index Risk:** If a FDI is linked to the performance of an index, it will be subject to the risks associated with changes to that index. If the index changes, a Fund could receive lower interest payments or experience a reduction in the value of the FDI below what the Fund paid. Certain indexed securities – including inverse securities (which move in the opposite direction to the index) – may create leverage, to the extent that the increase or decrease in value is at a rate that is a multiple of the changes in the applicable index.

**Repurchase Agreements:** A Fund may enter into repurchase arrangements. Accordingly, the Fund will bear a risk of loss in the event that the other party to the transaction defaults on its obligation and the Fund is delayed or prevented from exercising its rights to dispose of the underlying securities. The Fund will, in particular, be subject to the risk of a possible decline in the value of the underlying securities during the period in which the Fund seeks to assert its right to them, the risk of incurring expenses associated with asserting those rights and the risk of losing all or a part of the income from the agreement.

**Risks Associated with Swaps:** A Fund may enter into swap agreements with respect to currencies, interest rates, credit defaults and financial indices. A Fund may use these techniques for investment purposes or for efficient portfolio management purposes to hedge against changes in interest rates, currency rates, securities prices, or as part of their overall investment strategies. Whether a Fund's use of swap agreements will be successful will depend on an Investment Manager's ability to correctly predict whether certain types of investments are likely to produce greater returns than other investments.

Payments under a swap contract may be made at the conclusion of the contract or periodically during its term. If there is a default by the counterparty to a swap contract a Fund will be limited to contractual remedies pursuant to the agreements related to the transaction. There is no assurance that swap contract counterparties will be able to meet their obligations pursuant to swap contracts or that, in the event of default, the Fund will succeed in pursuing contractual remedies. A Fund thus assumes the risk that it may be delayed in or prevented from obtaining payments owed to it pursuant to swap contracts.

**Securities Lending Risk:** As with any extensions of credit, there are risks of delay and recovery. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral provided in connection with such transaction will be called upon. A securities lending transaction will involve the receipt of collateral. However there is a risk that the value of the collateral may fall and the Fund suffers a loss as a result.

### 3.3 Emerging Markets Risks:

Where a Fund invests in securities in emerging markets, additional risks may be encountered. These include:

**Accounting Standards:** in emerging markets there is an absence of uniform accounting, auditing and financial reporting standards and practices.

**Business Risks:** in some emerging markets, crime and corruption, including extortion and fraud, pose a risk to businesses. Property and employees of underlying investments may become targets of theft, violence and/or extortion.

**Country Risk:** the value of the Fund's assets may be affected by political, legal, economic and fiscal uncertainties. Existing laws and regulations may not be consistently applied.

**Currency Risk:** the currencies in which investments are denominated may be unstable, may be subject to significant depreciation and may not be freely convertible.

**Custody Risk:** custodians may not be able to offer the level of service and safe-keeping, settlement and administration of securities that is customary in more developed markets and there is a risk that the Fund will not be recognised as the owner of securities held on its behalf by a sub-custodian.

**Disclosure:** less complete and reliable fiscal and other information may be available to investors.

**Legal:** the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets. Risks associated with many emerging market legal systems include (i) the untested nature of the independence of the judiciary and its immunity from economic, political or nationalistic influences; (ii) inconsistencies among laws, presidential decrees and governmental and ministerial orders and resolutions; (iii) the lack of judicial and administrative guidance on interpreting applicable laws; (iv) a high degree of discretion on the part of government authorities; (v) conflicting local, regional and federal laws and regulations; (vi) the relative inexperience of judges and courts in interpreting new legal norms; and (vii) the unpredictability of enforcement of foreign judgements and foreign arbitration awards. There is no guarantee that further judicial reform aimed at balancing the rights of private and governmental authorities in courts and reducing grounds for re-litigation of decided cases will be implemented and succeed in building a reliable and independent judicial system.

**Market Characteristics/ Liquidity and Settlement Risks:** in general, emerging markets are still in the early stages of their development, have less volume, are less liquid and experience greater volatility than more established markets and many emerging markets are not highly regulated. When seeking to sell emerging market securities, little or no market may exist for the securities. The combination of price volatility and the less liquid nature of securities markets in emerging markets may, in certain cases, affect a Fund's ability to acquire or dispose of securities at the price and time it wishes to do so, and consequently may have an adverse impact on the investment performance of the Fund. Settlement of transactions may be subject to delay and administrative uncertainties.

**Political Risk:** the risk of government intervention is particularly high in the emerging markets because of both the political climate in many of these countries and the less developed character of their markets and economies. Government actions in the future could have a significant effect on economic conditions in such countries, which could affect private sector companies and the value of securities in a Fund's portfolio.

**Tax:** The taxation system in some emerging market countries is subject to varying interpretations, frequent changes and inconsistent enforcement at the federal, regional and local levels. Tax laws and practices in some emerging market countries are at an initial stage of development and are not as clearly established as in more developed countries.

**Frontier Markets Risk:** Investing in the securities of issuers operating in frontier emerging markets carries a high degree of risk and special considerations not typically associated with investing in more traditional developed markets. In addition, the risks associated with investing in the securities of issuers operating in emerging market countries are magnified when investing in frontier emerging market countries. These types of investments could be affected by factors not

usually associated with investments in more traditional developed markets, including risks associated with expropriation and/or nationalisation, political or social instability, pervasiveness of corruption and crime, armed conflict, the impact on the economy of civil war, religious or ethnic unrest and the withdrawal or non-renewal of any licence enabling a Fund to trade in securities of a particular country, confiscatory taxation, restrictions on transfers of assets, lack of uniform accounting, auditing and financial reporting standards, less publicly available financial and other information, diplomatic development which could affect investment in those countries and potential difficulties in enforcing contractual obligations. These risks and special considerations make investments in securities in frontier emerging market countries highly speculative in nature and, accordingly, an investment in a Fund's units must be viewed as highly speculative in nature and may not be suitable for an investor who is not able to afford the loss of their entire investment. To the extent that a Fund invests a significant percentage of its assets in a single frontier emerging market country, a Fund will be subject to heightened risk associated with investing in frontier emerging market countries and additional risks associated with that particular country.

***Investing through Stock Connect:*** If a Fund is permitted by its investment policy to invest on a regulated market in China, there are various means of the Fund creating exposure, including using American depositary receipts and H shares (which are shares of a company incorporated in the Chinese mainland that are listed on the Hong Kong Stock Exchange). A Fund may also invest in certain eligible securities ("Stock Connect Securities") that are listed and traded on the Shanghai Stock Exchange ("SSE") through the Hong Kong – Shanghai Stock Connect program or the Shenzhen Stock Exchange ("SZSE") through the Hong Kong - Shenzhen Stock Connect program ("Stock Connect"). Unlike other means of foreign investment in Chinese securities, investors in Stock Connect Securities are not subject to individual investment quotas or licensing requirements. Additionally, no lock-up periods or restrictions apply to the repatriation of principal and profits.

However, a number of restrictions apply to Stock Connect trading that could affect a Fund's investments and returns. For example, the home market's laws and rules apply to investors in the Stock Connect program. This means that investors in Stock Connect Securities are generally subject to PRC securities regulations, disclosure requirements of the China A Shares market, and SSE or SZSE listing and trading rules as appropriate, among other restrictions. Any changes in laws, regulations, rules and policies of the China A Shares market may affect the trading of a Fund. Further, an investor may not dispose of its Stock Connect Securities which were purchased through the Stock Connect by any means other than through Stock Connect, in accordance with applicable rules. In addition, the following risks apply:

#### *Quota limitations*

Although individual investment quotas do not apply, Stock Connect participants are subject to daily aggregate investment quotas, which could restrict or preclude a Fund's ability to invest in Stock Connect Securities.

#### *Differences in trading day*

Stock Connect is generally only available on business days when both the China and Hong Kong markets are open and when banking services are available in both markets on the corresponding settlement days. As a result, a Fund may not be able to trade when it would be otherwise attractive to do so, and the Fund may not be able to dispose of its China A shares in a timely manner.

#### *Suspension Risk*

Each of the Stock Exchange of Hong Kong Limited, SSE and SZSE reserves the right to suspend trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension is effected, a Fund's ability to access the PRC market (and hence its ability to pursue its investment strategy) will be adversely affected.

#### *Clearing and settlement risk*

Trading in securities through the Stock Connect may be subject to clearing and settlement risk. In the unlikely event that China Securities Depository and Clearing Corporation Limited defaults on

its obligation to deliver securities / make payment, a Fund may suffer delays in recovering its losses or may not be able to fully recover its losses.

A failure or delay by the HKSCC in the performance of its obligations may result in a failure of settlement, or the loss, of Stock Connect Securities and/or monies in connection with them and a Fund and its investors may suffer losses as a result. Neither a Fund nor the Adviser shall be responsible or liable for any such losses.

#### *Legal / Beneficial ownership risk*

Because HKSCC is only a nominee holder and not the beneficial owner of Stock Connect Shares, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong, investors should note that Stock Connect Shares will not be regarded as part of the general assets of HKSCC available for distribution to creditors even under mainland China law.

HKSCC is the "nominee holder" of the Stock Connect Securities acquired by Hong Kong and overseas investors through the Stock Connect. Foreign Investors like a Fund investing through the Stock Connect holding the Stock Connect Shares through HKSCC are the beneficial owners of the assets and are therefore eligible to exercise their rights through the nominee. Stock Connect Shares are uncertificated and are held by HKSCC for its account holders. Physical deposit and withdrawal of Stock Connect Shares are not available currently for a Fund. Hong Kong and overseas investors such as a Fund can only hold Stock Connect Securities through their brokers/custodians. Their ownership of such is reflected in their brokers/custodians' own records such as client statements.

#### *No protection by Hong Kong Investor Compensation Funds*

A Fund will not benefit from access to Hong Kong investor compensation funds, which are set up to protect against defaults of trades, when investing through Stock Connect. Investments in China A shares may not be covered by the securities investor protection programs of the exchanges and, without the protection of such programs, will be subject to the risk of default by the broker. If the depository of the SSE and the SZSE defaulted, a Fund may not be able to recover fully its losses from the depository or may be delayed in receiving proceeds as part of any recovery process.

According to existing mainland China practices, a Fund as a beneficial owner of China A Shares traded via Stock Connect cannot appoint proxies to attend Unitholders' meetings on its behalf.

**Investing through Bond Connect:** To the extent it is permitted by the investment policy of a Fund, it may also invest in the China Interbank Bond Market ("**CIBM**") via the arrangement between Hong Kong and the PRC that enables Chinese and overseas investors to trade various types of debt securities in each other's bond markets through connection between the relevant respective financial infrastructure institutions ("**Bond Connect**").

Investing in China is subject to the risks of investing in emerging markets and may expose investors to the following risks:

**CIBM Risk:** CIBM is an OTC market separate to the two main stock exchanges in China. On the CIBM institutional investors trade sovereign and corporate bonds on a one-to-one quote-driven basis. The CIBM accounts for more than 95% of outstanding bond values of total trading volume in China. The CIBM is regulated and supervised by the PRC. Investors should be aware that China's bond market is still in development and trading on the CIBM may expose Funds to increased:

**Liquidity risk:** The bid and offer spread of fixed income securities trading on the CIBM may be high. Funds may therefore incur significant trading costs and may even suffer losses when selling such investments. In the absence of a regular and active secondary market, the Funds may not be able to sell their bond holdings at prices the Adviser considers advantageous and may need to hold the bonds until their maturity date.

**Settlement risk:** The transaction settlement method in the CIBM is for delivery versus payment of security by the counterparty. Where the counterparty does not perform its obligations under a transaction, the Funds may sustain losses.

**Bond Connect risk:** Bond Connect is a novel trading program in China. Because these laws, regulations and rules governing the Bond Connect program are recent, their interpretation and

enforcement involve significant uncertainty. Any changes in laws, regulations and policies of the China bond market or rules in relation to Bond Connect may affect prices and liquidity of the relevant CIBM bonds and there is no assurance that the change will not be made in a way prejudicing the interests of the Fund. Moreover, Bond Connect and its technology and risk management capability have only a short operating history. There is no assurance that the systems and controls of the Bond Connect program will function as intended or whether they will be stable or adequate.

Investment in the CIBM under the Bond Connect programme is subject to different regulatory requirements and procedures from investment in the CIBM via a direct access. For example, unlike the investment via a direct access to the CIBM, the Fund's investment in the CIBM bonds under the Bond Connect will not involve an onshore settlement agent and will be held by the Central Money Markets Unit of the Hong Kong Monetary Authority ("**CMU**") as the nominee holder, opening nominee account(s) with the China Central Depository & Clearing Co., Ltd ("**CCDC**") and the Shanghai Clearing House ("**SHCH**") respectively. While the distinct concepts of "nominee holder" and "beneficial owner" are generally recognised under the relevant PRC laws and regulations, the application of such rules is untested, and there is no assurance that PRC courts will recognise such rules, e.g. in liquidation proceedings of PRC companies or other legal proceedings. In addition, CIBM bonds are uncertificated and are held by CMU for its account holders.

## ***PRC-Specific Risks***

### *PRC Governmental, Economic and Related Considerations*

The PRC economy has been a planned economy since 1949. During the past 15 years, the PRC government has been reforming the economic systems of the PRC, and these reforms are expected to continue. Many of the reforms are unprecedented or experimental and are expected to be refined or changed. Other political, economic and social factors could also lead to further readjustments to the reform measures. The operations and financial results of a Fund investing in the PRC could be adversely affected by adjustments in the PRC's state plans, political, economic and social conditions, changes in the policies of the PRC government such as changes in laws and regulations (or the interpretation thereof), measures which may be introduced to control inflation, changes in the rate or method of taxation, imposition of additional restrictions on currency conversion and the imposition of additional import restrictions. Furthermore, a portion of the economic activity in the PRC is export-driven and, therefore, is affected by developments in the economies of the PRC's principal trading partners.

### *Corporate Disclosure, Accounting and Regulatory Standards*

PRC's disclosure and regulatory standards are in many respects less stringent than standards in certain OECD countries. There may be less publicly available information about PRC companies than is regularly published by or about companies from OECD countries. Such information as is available may be less reliable than that published by or about companies in OECD countries. PRC companies are subject to accounting standards and requirements that differ in significant respects from those applicable to companies established or listed in OECD countries. This, if combined with a weak regulatory environment, could result in lower standards of corporate governance and less protection of minority shareholder rights of the companies in which a Fund will invest.

The lower level of disclosure, transparency and reliability of certain material information may impact on the value of investments made by a Fund and may lead the Adviser or other service providers of a Fund to an inaccurate conclusion about the value of the investments of the Fund.

### *Business Conditions and General Economy*

The profitability of the issuers of the A Shares could be adversely affected by the worsening of general economic conditions globally or in certain individual markets. Factors such as interest rates, inflation, investor sentiment, the availability and cost of credit, the liquidity of the global financial markets and the level and volatility of equity prices could significantly affect the activity level of customers. For example: (a) an economic downturn or significantly higher interest rates could adversely affect the credit quality of the on-balance sheet assets; and (b) a market downturn or worsening of the economy could reduce the income of such issuers.



## *Securities Markets*

The PRC securities markets, including the SSE and the SZSE, are undergoing a period of growth and change which may lead to difficulties in the settlement and recording of transactions and interpreting and applying the relevant regulations. In addition, the regulation of, and enforcement activity in, the PRC securities markets may not be equivalent to markets in OECD countries. There may not be equivalent regulation and monitoring of the PRC securities market and activities by investors, brokers and other participants to that in certain OECD markets.

It is common for securities on PRC stock exchanges to suspend from trading or otherwise become an untradeable security as a result of routine corporate activity for a period of time. Where this occurs the affected securities may be fair value priced by the Adviser or its agent. In addition, in the case of a redemption, there may be additional delays in receiving cash proceeds in respect of any untradeable securities as at the relevant Dealing Day.

## *Volatility*

The PRC stock market is still at its early stage of development and is still largely dominated by retail investors. Institutional investors contribute only a small percentage of the overall market turnover and investments. The A Share market is still very speculative where investors tend to trade frequently and have very short-term views. These factors have led to substantial price volatility in the PRC stock market and no assurance can be given that such volatility will not occur in the future. The above factors could negatively affect a Fund's Net Asset Value, the ability to redeem Units and the price at which the Units may be redeemed.

## *RMB Currency Risk*

Renminbi is not a freely convertible currency and it is subject to foreign exchange control policies of and repatriation restrictions imposed by the PRC central government. If such policies or restrictions change in the future, the position of a Fund or its investors may be adversely affected.

**PRC Tax Risks:** The tax law and regulations of the PRC are constantly changing, and they may be changed with retrospective effect. The interpretation and applicability of the tax law and regulations by tax authorities are not as consistent and transparent as those of more developed nations, and may vary from region to region. Although the PRC has recently issued tax circulars to clarify how capital gains realised through Stock Connect should be taxed, there are still various detailed implementation issues not clarified or clarified without any published guidance. Given the uncertainty surrounding a Fund's potential PRC tax liabilities or reimbursement obligations, the Net Asset Value on any Dealing Day may not accurately reflect such liabilities. In addition investors should be aware that under-accrual or over-accrual for PRC tax liabilities may impact on the performance of the Fund during the period of such under-accrual or over-accrual and following any subsequent adjustments to the Net Asset Value. Redemption proceeds or distributions may be paid to Unitholders without taking full account of tax that may be suffered by a Fund, which tax will subsequently be borne by the Fund and affect the Net Asset Value of the Fund and the remaining Units in that Fund. In light of the uncertainty as to how gains or income that may be derived from investment in China will be taxed, the Manager reserves the right to provide for withholding tax on such gains or income and withhold tax for the account of the relevant Fund. Accordingly, the Net Asset Value and profitability of the Fund may be affected.

### 3.4 Asset Replication Strategy Funds (i.e. the Funds which utilise the Asset Replication Strategy):

Utilisation of the Asset Replication Strategy involves certain considerations stemming from the inherent characteristics of the techniques and instruments used therein. These include:

- (a) The swaps market is a relatively new market and is largely unregulated. It is possible that developments in the swaps market, including potential government regulation, could adversely affect the Fund's ability to terminate existing swap agreements or to realise amounts to be received under such agreements. Whether the Fund's use of swap agreements for EPM purposes will be successful will depend on the Adviser's or any Sub-Advisers ability to correctly predict whether certain types of investments are likely to produce greater returns than other investments. The Fund bears the risk of loss of the

amount expected to be received under a swap agreement in the event of the default or bankruptcy of swap agreement counterparty.

- (b) The Fund may act as both a protection buyer and seller in respect of a CDS. Where the Fund is the protection seller, the risk arises where a specified reference credit event occurs which obliges the Fund to pay the counterparty under the terms of the CDS. Where the Fund is the protection buyer, the risk arising is of counterparty default where a specified reference credit event occurs and the Fund looks to the counterparty for payment.
- (c) The risk arising to the Fund in a TRS is credit risk in the event that the counterparty is unable to meet its payment obligations to the Fund under the terms of the TRS.
- (d) If the other party to a repurchase agreement should default, the Fund might suffer a loss to the extent that the proceeds from the sale of the underlying securities and other collateral held by the Fund in connection with the refuted repurchase agreement are less than the repurchase price. In addition, in the event of bankruptcy or similar proceedings of the other party to the repurchase agreement or its failure to repurchase the securities as agreed, the Fund could suffer losses, including loss of interest on or principal of the security and costs associated with delay and enforcement of the repurchase agreement.
- (e) Securities lending involves the risk of loss of rights in the collateral or delay in recovery of the collateral should the borrower fail to return the securities loaned or become insolvent. The Fund may pay lending fees to the party arranging the loan.
- (f) Forward currency contracts will be entered into over-the-counter (OTC) directly between two counterparties acting as principals. Since an OTC contract is not guaranteed by an exchange or clearing house, a default on the contract would deprive the Fund of the benefits of the contract and force the Fund to cover its purchase or sale commitments, if any, at the current market price. The performance of the Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

**Repurchase Agreements:** A Fund may enter into repurchase arrangements. Accordingly, the Fund will bear a risk of loss in the event that the other party to the transaction defaults on its obligation and the Fund is delayed or prevented from exercising its rights to dispose of the underlying securities. The Fund will, in particular, be subject to the risk of a possible decline in the value of the underlying securities during the period in which the Fund seeks to assert its right to them, the risk of incurring expenses associated with asserting those rights and the risk of losing all or a part of the income from the agreement.

**Liquidity Risk:** Not all securities or instruments invested in by the Funds will be listed or rated and consequently liquidity may be low. Moreover, the accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavourable prices. The Funds may also encounter difficulties in disposing of assets at their fair price due to adverse market conditions leading to limited liquidity. Some of the markets in which a Fund invests may be less liquid and more volatile than the world's leading stock markets and this may result in the fluctuation in the price of the securities. As a result, the Fund may suffer losses and the Net Asset Value of the Fund may be adversely affected. Due to market conditions the Funds may from time to time trade in transferable securities dealt on a permitted market that may become illiquid after they have been acquired or it may be difficult for a Fund to liquidate at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as a temporary disruption of a particular market. Certain securities may therefore be difficult or impossible to sell at the time that the seller would like or at the price that the seller believes the security is currently worth.

**No Secondary Market:** It is not anticipated that there will be an active secondary market for the Units, and it is not expected that such a market will develop. Subject to certain conditions outlined herein, including when redemptions or the registration of transfers of Units are suspended, Holders will, however, be able to realise their investment in a Fund by redeeming their Units or by a transfer to an investor who an eligible transferee.

**Recent Developments in Financial Markets:** Recent developments in the global financial markets illustrate that the current environment is one of extraordinary and possibly unprecedented uncertainty. In light of such recent market turmoil and the overall weakening of the financial services industry, the Unit Trust's, the Manager's, the Adviser's and other financial institutions' financial condition may be adversely affected and they may become subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on the Unit Trust's business and operations.

**Financial Markets and Regulatory Change:** The laws and regulations affecting businesses continue to evolve in an unpredictable manner. Laws and regulations, particularly those involving taxation, investment and trade, applicable to the Unit Trust's activities can change quickly and unpredictably, and may at any time be amended, modified, repealed or replaced in a manner adverse to the interests of the Unit Trust. The Unit Trust and the Manager may be or may become subject to unduly burdensome and restrictive regulation. In particular, in response to significant recent events in international financial markets, governmental intervention and certain regulatory measures which have been or may be adopted in certain jurisdictions.

**Changes in the UK political environment:** Changes in the UK political environment following the UK's decision by referendum to exit from the EU may lead to political, legal, tax and economic uncertainty. This could impact general economic conditions in the UK. It is not yet clear whether and to what extent EU regulations generally would apply with respect to UK Sub-Advisers following a UK exit from the EU, but it is possible that investors would be subject to fewer regulatory protections than would otherwise be the case. A UK exit could adversely affect the Adviser or a Sub-Adviser's ability to access markets, make investments, attract and retain employees or enter into agreements (on its own behalf or on behalf of the Trust or the Funds) or continue to work with non-UK counterparties and service providers, all of which could result in increased costs to the Trust and/or the Funds.

**Eurozone:** It is possible that an existing Eurozone country may leave the Eurozone and return to a national currency, and as a result may leave the EU and/or that the Euro, the European single currency, will cease to exist in its current form and/or lose its legal status in one or more countries in which it currently has such status. The effect of such potential events on the Funds which are denominated in Euro or which invest in instruments predominantly tied to Europe is impossible to predict.

**Epidemics and Pandemics:** Where epidemics and/or global pandemics occur there is the potential for adverse societal and economic issues to occur and in certain cases for national or global recessions to be triggered. For example, a novel coronavirus was first detected in late December 2019, causing an outbreak of respiratory disease in countries around the world. On February 11, 2020, the World Health Organization (the "WHO") named the disease "COVID-19" and on March 11, 2020, the WHO declared a pandemic. The ability to accurately forecast short, medium and long-term impact may be difficult and markets may be very volatile during epidemics and/or pandemics, as evidenced by COVID-19. Forecasts may range from prolonged and severe adverse societal and economic issues triggering a global recession to shorter periods of contagion potentially alleviated by medical treatments. However, a continued escalation in an epidemic and/or pandemic could see a continual decline in global economic growth. Many businesses around the world may have to curtail their travel and meeting plans. This is likely to slow business activity, including in particular international business activity. This may have an adverse impact on the Manager and its delegates, service providers, advisers and other third parties to whom tasks and actions have been outsourced. The impact of a viral pandemic in certain areas with large and crowded cities may be especially severe. In consumer goods, for example, customers may delay discretionary spending and travel plans because of worry about the pandemic. The banking industry, and in particular, the consumer finance sector, may be significantly affected by credit losses resulting from financial difficulties of impacted borrowers. Epidemics and/or pandemics may trigger many employees of the Investment Adviser and certain of the other service providers to the Manager to be absent from work or work remotely for prolonged periods of time. Notwithstanding, the implementation of disaster recovery and business continuity plans, the unprecedented scale of a global pandemic, may reduce the ability of the employees of the Investment Adviser and/or other service providers to the Manager to work effectively on a remote basis may adversely impact the day to day operations of the Manager.

Future epidemics and/or global pandemics have the potential to have similar or more severe consequences than COVID-19.

**Emergency Legislation:** Countries around the world may introduce emergency legislation to deal with the outbreak of epidemics and/or global pandemics to give governments wide-ranging powers to act in the best interest of their citizens in order to enforce public health measures. Many of these include the ability to order a “lock down” specific areas, cities or entire regions in order to enforce social distance measures or to isolation citizens in order to halt the spread of virus and disease. Such measures may have a severe impact on the ability of the Manager and its delegates, service providers, advisers and other third parties to whom tasks and actions have been outsourced to carry out their business.

**Reinvestment of Cash Collateral Risk:** As a Fund may reinvest cash collateral received, subject to the conditions and within the limits laid down by the Central Bank, a Fund reinvesting cash collateral will be exposed to the risk associated with such investments, such as failure or default of the issuer of the relevant security.

**Redemption Risk:** Large redemptions of Units in a Fund might result in a Fund being forced to sell assets at a time and price at which it would normally prefer not to dispose of those assets which may be materially adverse to the Fund.

**Securities Lending Risk:** There are risks associated with a Fund engaging in securities lending. As with any extensions of credit, there are risks of delay and recovery. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral provided in connection with such transaction will be called upon. A securities lending transaction will involve the receipt of collateral. However there is a risk that the value of the collateral may fall and the Fund suffer loss as a result.

**Volatility Risk:** Prices of securities may be volatile. Price movements of securities are difficult to predict and are influenced by, among other things, speculation, changing supply and demand relationships, governmental trade, fiscal, monetary and exchange control programs and policies, national and international political and economic events, climate, changes in interest rates, and the inherent volatility of the market place. Volatility may also be due to the fluctuations in the exchange rate of currencies. Therefore, it is a probability measure of the threat that an exchange rate movement poses to an investor's portfolio in a foreign currency. During periods of uncertain market conditions the combination of price volatility and the less liquid nature of securities markets may, in certain cases, affect a Fund's ability to acquire or dispose of securities at the price and time it wishes to do so, and consequently may have an adverse impact on the investment performance of the Fund.

**Capital Erosion Risk:** Certain Funds and Unit classes may have as the priority objective the generation of income rather than capital. Investors should be noted that the focus on income and the charging of Investment Management Fees and any other fees to capital may erode capital and diminish the Fund's ability to sustain future capital growth. In this regard, distributions made during the life of the Fund or an applicable Unit class should be understood as a type of capital reimbursement.

**Income Plus Units:** Income Plus Units (as further described in the section entitled “Distribution Policy”) are available in some Funds. Investors who subscribe into Income Plus Units should note that there is a risk that the net income received in a distribution period by the relevant Fund is greater or lesser than the Target Income for the Income Plus Units. As a result, the Manager may, in its absolute discretion, reduce or forego the distribution payable on the Distribution Date and/or pay such distribution out of the capital of the Income Plus Units. It should be noted that if distribution is made out of capital, this could result in the erosion of capital of those Income Plus Units. Distributions out of capital may have different tax consequences to distributions of income and it is recommended that investor seek appropriate advice in this regard.

**Concentration Risk:** The investments of certain Funds may be concentrated in a single market or country. A Fund which pursues a concentrated investment strategy may be subject to a greater degree of volatility and risk than a Fund following a more diversified strategy. To the extent that a Fund concentrates its investments in a particular market or country, its investments may become more susceptible to fluctuations in value resulting from adverse economic or business conditions

in that market or country. As a consequence, the aggregate return of the Fund may be adversely affected by the unfavourable developments in that particular market or country in which the Fund invests.

**Accounting, Auditing and Financial Reporting Standards:** The accounting, auditing and financial reporting standards of many of the countries in which a Fund may invest may be less extensive than those applicable in the European Union.

**Operational Risks (including Cyber Security and Identity Theft):** An investment in a Fund, like any fund, can involve operational risks arising from factors such as processing errors, human errors, inadequate or failed internal or external processes, failure in systems and technology, changes in personnel, infiltration by unauthorised persons and errors caused by service providers such as the Manager, the Adviser or the Administrator. While the Funds seek to minimise such events through controls and oversight, there may still be failures that could cause losses to a Fund.

As part of its management services, the Manager processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Funds and personally identifiable information of the Unitholders. Similarly, service providers of the Manager, especially the Administrator, may process, store and transmit such information. The Manager, Adviser, Administrator and Trustee (and their respective groups) each maintain information technology systems which each service provider believes are reasonably designed to protect such information and prevent data loss and security breaches. However, like any other system, these systems cannot provide absolute security.

The techniques used to obtain unauthorised access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to the Manager may be susceptible to compromise, leading to a breach of the Manager's network. The Manager's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. On-line services provided by the Manager to the Unitholders may also be susceptible to compromise.

The service providers of the Manager are subject to the same electronic information security threats as the Adviser. If the Adviser or the service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Unit Trust and personally identifiable information of the Unitholders may be lost or improperly accessed, used or disclosed.

Notwithstanding the existence of policies and procedures designed to detect and prevent such breaches and ensure the security, integrity and confidentiality of such information as well as the existence of business continuity and disaster recovery measures designed to mitigate any such breach or disruption at the level of the Manager and its delegates, the loss or improper access, use or disclosure of proprietary information may cause the Manager or a Fund to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the relevant Fund and the Unitholders' investments therein.

It should be noted that investors in the Unit Trust will be afforded all appropriate safeguards and rights in accordance with the Data Protection Legislation.

**Paying Agent Risk:** Holders who choose or are obliged under local regulations to pay or receive subscription or redemption monies or dividends via an intermediate entity rather than directly to the relevant Fund (e.g. a Paying Agent in a local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the relevant Fund and (b) redemption monies payable by such intermediate entity to the relevant Holder.

**Subscription, Redemption and Conversion Currency Risks:** Units in any Fund may be subscribed for or redeemed in any freely convertible currency not being the Base Currency of the Fund. Similarly, Holders may convert Units in one Fund to Units in another Fund and the Units in the two Funds may be denominated in different currencies. The costs of foreign currency

exchange transactions and any related gains or losses in connection with any subscription, redemption or conversion will be borne by the investor.

**Unit Class Level Risk:** While it is not intended to engage in any material investment management or trading activity at Unit class level within a Fund, other than for hedging purposes, it should be noted that any such activity may expose the Fund to cross contamination risk as it may not be possible to ensure (contractually or otherwise) that a counterparty's recourse in any such arrangements is limited to the assets of the relevant class.

### 3.5 Contingent Convertible Instruments Risk:

- (i) Unpredictable nature of the conversion events - the occurrence of a conversion event is inherently unpredictable and depends on a number of factors, many of which will be outside the issuer's control. Because of the inherent uncertainty regarding the determination of whether a conversion event will occur, it may be difficult to predict when, if at all, a CoCo will be converted. Accordingly, trading behaviour in the CoCos is not necessarily expected to follow trading behaviour associated with other types of convertible or exchangeable debt securities;
- (ii) Subordinated instruments - CoCos will in the majority of circumstances be issued in the form of subordinated, convertible debt instruments in order to provide the appropriate regulatory capital treatment prior to a conversion. Accordingly, in the event of liquidation, dissolution or winding-up of an issuer prior to a conversion having occurred, the rights and claims of the holders of the CoCos against the issuer in respect of or arising under the terms of the CoCos shall generally rank junior to the claims of all holders of unsubordinated obligations of the issuer. In addition, if the CoCos are converted into the issuer's underlying equity securities following a conversion event, each holder will be subordinated due to their conversion from being the holder of a debt instrument to being the holder of an equity instrument.
- (iii) Market value will fluctuate based on unpredictable factors - the value of CoCos is unpredictable and will be influenced by many factors including, without limitation, (i) the trading price of the relevant issuer's underlying equity securities; (ii) the creditworthiness of the issuer and/or fluctuations in such issuer's applicable capital ratios; (iii) supply and demand for the CoCos; and (iv) economic, financial and political events that affect the issuer, its particular market or the financial markets in general.

None of the Manager, the Adviser, the Sub-Advisers nor any other company within the Principal Financial Group® or the Trustee guarantees the repayment of capital or the performance of the Unit Trust or of any Fund. Investment decisions made on behalf of a Fund will not always prove profitable. Neither the Unit Trust, the Manager nor the Adviser shall be liable to investors (or to any other persons) for any error of judgement in the selection of each Fund's investments.

**The foregoing Special Investment Considerations and Risks do not purport to be a complete explanation of all the risks and significant considerations in this Prospectus. Investors should seek professional financial advice before investing.**

## 4 CHARGES AND EXPENSES

The Trustee will pay the management fee and the trustee fee described below from the assets of the Funds. Particulars of these fees, as well as any applicable preliminary charge, are disclosed in the Supplements and are more fully explained below.

Also disclosed below are details of other fees and expenses that may be paid by the Trustee from the assets of the Funds.

### 4.1 Management Fee

- (a) The management fee (including any performance fee) currently charged in respect of each Fund and class of Units is disclosed in the Supplements, but may be increased by the Manager to up to 2% per annum of the Net Asset Value of each Fund (in total) on giving Holders and the Trustee not less than three months' notice.
- (b) The management fee is currently calculated as a percentage of the Net Asset Value of each Fund, and is accrued every Business Day. The total management fee accrued in arrears at the end of each month is deducted from the Fund and paid to the Manager.
- (c) If units of funds are being acquired which are managed by the Manager either directly or indirectly, or which are managed by a company related to the Manager by virtue of common management, control, or a direct or indirect interest of more than 10% of the capital or the votes, the Manager may not charge a preliminary charge in respect of any such investment only and may only charge a management fee reduced to 0.25% per annum of the value of such investment in respect of that investment

#### 4.2 Administration Fee

In addition to the management fee, the Trust Deed permits the Manager to charge an administration fee of up to 0.15% per annum of the Value of the Units in the Funds for administering the Unit Trust. Currently the Manager only charges this fee on the Net Asset Value of the Funds attributable to A, D, F and N Class Units.

This fee is calculated as a percentage of the Net Asset Value of each Fund attributable to A, D, F and N Class Units., and is accrued, every Business Day, and the total accrued amount is paid monthly in arrears. All fees and expenses payable to the Administrator in respect of the administration services it provides to the Manager (see "**Management of the Unit Trust**" below) will be met by the Manager.

#### 4.3 Trustee Fee

Pursuant to the Trust Deed, the Trustee may retain for its own use out of each Fund a fee of up to 0.022% per annum of the Net Asset Value of the Units calculated on each Business Day during the month, accrued and deducted from the Fund the following month - subject to a minimum fee of US\$15,000 per annum which may be waived. The fee currently charged by the Trustee per Fund is disclosed in the relevant Supplement

#### 4.4 Preliminary Charge

The Manager may add a preliminary charge of up to 6% (or a higher amount approved by Extraordinary Resolution) to the issue price of Units. This amount may be retained by the Manager and used to pay commission to authorised intermediaries. It is the Manager's present intention that the preliminary charge will not, until further notice, exceed 5%. The Manager may differentiate between applicants as to the amount of the preliminary charge.

#### 4.5 Sub-custody Fees

Sub-custodians will be paid a fee at normal commercial rates and such fee shall be paid out of the Fund. The level of sub-custodian fees and expenses will vary depending on the investment profile of the Fund including, in particular, the nature of the securities markets in which the Fund invests, the size of the Fund and the amount of trading in the assets of the Fund. Such fees will be charged at normal commercial rates and will only be reimbursed from a Fund where they are less than 0.50% per annum of the Net Asset Value of the Fund. The Manager will pay any fees that exceed this level.

#### 4.6 Other Fund Expenses

The Trustee will pay other charges and expenses of operating the Funds directly from the assets of the Funds. Such expenses include the costs of acquiring and disposing of assets (including any taxes or stamp duty, and brokerage and commissions), transactional fees of the Trustee as may be agreed by the Manager in relation to transactions involving the whole or part of the Funds, legal and audit fees and expenses, listing fees, the cost of preparing, translating, printing and

distributing Fund reports, accounts, the prospectus, KIIDs, or any supplementary information documentation, publishing of prices and other Funds' information, registration fees and other expenses due to supervisory authorities and local, regulatory and tax representatives appointed in various jurisdictions, and costs incurred as a result of periodic updates of the prospectus or changes in the law or the introduction of any new law, as well as any other expenses incurred by the Manager and the Trustee wholly and exclusively in the performance of their duties under the Trust Deed and the Prospectus (including any fees payable to paying agents, representatives and other third parties which fees will be at normal commercial rates).

All administration and investment advisory fees will be paid by the Manager and will not be paid from the assets of the Funds. In addition, the Manager may choose to pay any amount of service brokerage or other commissions from its own assets (including management fees or preliminary charges) to distributors or other third parties.

For certain Funds, as disclosed in the Supplement for each Fund, the Manager is entitled to receive from the Fund a Performance Fee in addition to the other fees and expenses listed above.

#### 4.7 Allocation of Fund Expenses

All fees, duties, charges and expenses will be charged to the Fund or class of Units of a Fund in respect of which they were incurred. Where an expense is not considered by the Trustee to be attributable to any one Fund or class of Units of a Fund, the expense will normally be allocated by the Trustee to all Funds or classes of Units of a Fund pro rata to the Net Asset Values of the Funds or attributable to the classes of Units.

#### 4.8 Commission and Brokerage

The Manager and Connected Persons of the Manager are entitled under the Trust Deed to charge commissions and/or brokerage on transactions effected by them as agents for the Unit Trust provided always that the Manager and any such Connected Person shall not retain the benefit of any cash commission rebate (being cash commission repayment made by a broker or dealer to the Manager and/or any Connected Person) paid or payable from any broker or dealer in respect of any business placed with a broker or dealer by the Manager or any Connected Person for or on behalf of the Unit Trust. Any such cash commission rebate received from such broker or dealer shall be paid into the assets of the relevant Fund. See Appendix C.

#### 4.9 Fund Establishment Costs

The costs of establishment of, and the initial issue of Units in each Fund, to the extent that they are not borne by the Manager, will be borne by the relevant Fund and amortised over the first five years of the Fund.

#### 4.10 This Prospectus

The costs incurred in preparing and printing this Prospectus and the Supplements will be allocated to all Funds pro rata to the Net Asset Values of the Funds.

#### 4.11 Units outstanding

Details of the Units in issue in each Fund are available from the Administrator and the Hong Kong Representative.

### 5 SUBSCRIPTION FOR UNITS

#### 5.1 Investing in the Funds

To invest in the Funds, applicants should first send a completed Application Form to the Administrator (non-Hong Kong applicants), or to the Hong Kong Representative (Hong Kong applicants<sup>1</sup>) by mail or facsimile. Where an original and valid Application Form has been received and is in order, subsequent applications for Units may be made using faxed instructions (without forwarding the original).

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<sup>1</sup> Hong Kong applicants may submit requests directly to the Administrator on public holidays in Hong Kong.



If an instructions which relates to an initial investment into a Fund is sent by facsimile, the original Application Form and supporting anti-money laundering documents must still be mailed promptly to the Administrator or the Hong Kong Representative as the case may be. However, all instructions received by facsimile will be treated as definitive orders, even if not subsequently confirmed in writing, and will not be capable of withdrawal after acceptance by the Administrator or the Hong Kong Representative.

Application Forms that are incomplete will not be accepted until all the relevant information is obtained.

## 5.2 Adding to an Investment

The Administrator and the Hong Kong Representative can accept additional subscriptions from Holders using the payment methods identified in "**Processing of Applications**" below when accompanied by a completed instruction. If an application is made by letter, the letter must be signed and dated by or on behalf of the Holder by appropriate authorised signatories and include all relevant details in respect of the additional investment (i.e. account number, name of unitholder, the Fund(s) and class of Units selected for the additional subscription (name of fund, share class); the fund identifier of the Fund or share class to which subscription is to be made (i.e. ISIN), the amount to be invested in each Fund or the number of Units applied for, and the contact details of the person who should be contacted should the Administrator have any queries regarding the trade instruction

All applicants whose initial application to invest in the Funds was made pursuant to an Application Form attached to a prospectus for the Unit Trust dated 1 February 2011, or earlier must also acknowledge in the letter that they:

- (i) have received this Prospectus and the relevant Supplement(s) and that they are investing pursuant to the terms of the Prospectus and subject to the Trust Deed; and
- (ii) have reached majority pursuant to the legislation of their country of usual residence; and
- (iii) that they are not;
  - (A) a person or entity to whom offers or sales of Units of the relevant Fund may not be made;
  - (B) prohibited from holding Units of the relevant Fund, as provided in this Prospectus; nor
  - (C) acting on behalf of any person or entity to whom offers or sales of Units of the relevant Fund may not be made or who is prohibited from holding Units of the relevant Fund as provided in this Prospectus.

Additional subscription requests received by facsimile will be treated by the Administrator and the Hong Kong Representative as definitive orders even if not subsequently confirmed in writing and will not be capable of withdrawal after acceptance by the Administrator or the Hong Kong Representative. Requests that are incomplete will not be accepted until all the necessary information is obtained.

## 5.3 Distribution and Applications / Subscriptions

Applicants may also submit subscription requests to distributors authorised by the Manager to distribute Units in the Funds, for onward transmission to the Administrator or the Hong Kong Representative.

Please note however that the Manager bears no responsibility for any failure, delay or default by a distributor in forwarding any such request to the Administrator or the Hong Kong Representative. A request is not valid until it has been received by the Administrator or the Hong Kong Representative on behalf of the Manager.

No money should be paid to any distributor or other salesman of Units or intermediary in Hong Kong who is not licensed or registered to carry on Type I regulated activity under Part V of the Hong Kong Securities and Futures Ordinance.

Investors making applications via dealing platforms or other electronic means are reminded that they must refer to the provider of the dealing platform or electronic means for the procedures that apply to such trading arrangements.

At the date of this Prospectus, only the Administrator and the Hong Kong Representative are authorised to act as agent of the Manager to sell Units in the Funds.

#### 5.4 Minimum Investment Amounts

The Manager may establish minimum initial and additional investment amounts that must be invested by an applicant or held by a Holder in each class of Units in a Fund. Where applicable, these minimum amounts are disclosed in the Supplements.

#### 5.5 Processing of Applications / Subscriptions

Complete and valid subscription requests received by the Administrator (non-Hong Kong applicants) or the Hong Kong Representative (Hong Kong applicants) before the Dealing Deadline on a Dealing Day will be processed by reference to the Net Asset Value per Unit plus any applicable preliminary charge for that Dealing Day. Subscription requests received after the Dealing Deadline will be processed by reference to the Net Asset Value per Unit issued on the next Dealing Day. Refer to "**Net Asset Value**" for more information. Refer to "**Charges and Expenses**" above and "**Net Asset Value**" below for more information.

Unless a Supplement specifies otherwise, the Dealing Deadline in relation to any particular place means such time or times of day in that place as the Manager may from time to time determine and, in relation to Hong Kong, shall until further notice, be 5:00 p.m. Hong Kong time and in relation to Dublin shall, until further notice, be 10:00 a.m. Dublin time in each case on the relevant Dealing Day.

The Manager may, at its discretion, deem any trade instruction received after the Dealing Deadline to have been received before the Dealing Deadline, if the form was received after the Dealing Deadline, but before the Valuation Point, due to no fault of the applicant.

Subscription monies may be submitted by telegraphic transfer to the Subscriptions/Redemptions Account (see the Application Form for details). Upon receipt into the Subscriptions/Redemptions Account, subscription monies will become the property of the relevant Fund and accordingly an investor will be treated as a general creditor of the relevant Fund during the period between receipt of subscription monies into the Subscriptions/Redemptions Account and the issue of Units.

Payment in respect of subscription must be received in cleared funds into the Subscriptions/Redemptions Account on or before the Settlement Date as outlined in the Supplement for the relevant Fund.

Please note the account name from which payment is made must include that of the applicant. Payments by telegraphic transfer should quote the applicant's name, name of bank, bank account number and confirmation note number (if one has already been issued), as well as the name of the Fund into which they are investing. Applicants are liable for any charges incurred in effecting telegraphic transfers.

The Trust Deed also permits the Manager to issue Units in consideration of the vesting in the Trustee of investments approved by the Manager.

Units will be issued in increments of up to one thousandth of a Unit. Subscription monies representing smaller fractions of a Unit will not be returned to the applicant but will be retained as part of the relevant Fund's assets.

The Manager has the discretion to reject in whole or in part any application for Units. If an application is rejected, the Administrator will return the balance of the application monies to the Applicant by telegraphic transfer (at the Applicant's risk and cost) within five Business Days of the rejection.

The Manager may require the transfer or redemption of any Units if the Manager or Trustee becomes aware that the Holder or beneficial owner thereof is not permitted to hold Units pursuant to applicable law or the terms of this Prospectus.

Applicants may be required to provide such information as is necessary under relevant anti-money laundering laws. Refer to "**Anti-Money Laundering**" below for more information.

#### 5.6 Anti-Money Laundering and Counter Terrorist Financing Measures

The Manager is regulated by the Central Bank, and must comply with the measures provided for in the Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010 to 2018 (the "**Act**") which are aimed towards the prevention and detection of money laundering and terrorist financing.

The Act requires a detailed verification of the investor's identity including any persons purporting to act on the investor's behalf. This will include obtaining proof of address, source of funds or other additional information which may be requested from time to time, monitoring the business relationship on an on-going basis and where applicable, identifying and verifying the identity of the beneficial owner on a risk sensitive basis in order to comply with the obligations set out in Act and the Beneficial Ownership Regulations 2019 (SI 110 of 2019). Politically exposed persons ("**PEPs**"), an individual who is or has, at any time in the preceding year, been entrusted with prominent public functions, their immediate family members and/or persons known to be close associates of such persons, must also be identified.

By way of example an individual may be required to produce an original certified copy of a passport or identification card together with evidence of his/her address such as two original copies of evidence of his/her address, i.e. utility bills or bank statements (not more than six months old), date of birth and tax residence.

In the case of corporate investors, such measures may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), a certified copy of the corporate investor's authorised signatory list, the names, occupations, dates of birth and resident and business address of all directors.

The level of customer due diligence/verification documentation required will depend on the circumstances of each application following a risk based assessment of the applicant. For example, a detailed verification might not be required where the application is deemed low risk after consideration of a number of risk variables including jurisdiction, customer type and distribution channels. The Unit Trust will also take its business wide risk assessment into consideration when determining the risk categories of its investors.

The Manager or Administrator reserves the right to request whatever information is necessary to verify the identity of an applicant. In the event of any delay or failure by the applicant to produce any information required for verification purposes the Manager or the Administrator may refuse to accept the application and return all subscription monies to the bank account from which it was remitted, at the subscriber's expense and with no interest accruing thereon.

None of the Unit Trust, the Directors, the Manager, the Adviser or the Administrator shall be liable to the subscriber or Holder where an application for Units is not processed or Units are compulsorily repurchased or payment of redemption proceeds is delayed in such circumstances.

#### 5.7 Settlement Period

Settlement of all subscription applications for all Funds must be made within three Business Days after the relevant Dealing Day (T+3).

Any Units issued prior to receipt of subscription monies will be cancelled at the discretion of the Manager if the subscription monies are not received by the Administrator on the required day. Notwithstanding the cancellation of the application, the Manager may charge the applicant for any resulting loss incurred by the relevant Fund.

Applicants should note that different settlement terms will apply where they purchase Investor Units in currencies other than the relevant Base Currency. Please see Dealing Currencies below.

#### 5.8 Record of Investment

Units will be issued in non-certificated form. A purchase contract note will be issued and sent within thirty days of the Dealing Day on which the Units were issued. Registration of the Units comprised in the application will normally be effected within twenty-one days of the Administrator receiving cleared subscription monies and the relevant registration details. Ownership is recorded by an entry in the register for Units of the Fund and an account number is allocated to the investor. Regular statements setting out the Units held will be made available to investors, and will confirm ownership and entry in the register. The account number should be quoted in all communications relating to the Fund.

Contracts notes will only be expressed in the Base Currency. Holders or distributors who wish to receive any other reporting expressed indicatively in additional currencies other than the Base Currency should contact the Administrator or Hong Kong Representative. Statements made available to Institutional investors who submit subscription monies in any currency other than the relevant Base Currency will be denominated in that same currency. Refer also to "**Reports and Accounts**" in Appendix D.

#### 5.9 Anti-Dilution Levy in Relation to Applications for Units

The Manager may exercise its discretion to apply an anti-dilution levy in relation to applications for Units. The levy is an allowance for fiscal and other charges (estimated by the Administrator) that is added to the Net Asset Value per Unit of the relevant class to reflect the costs of investing application monies in underlying assets of the Fund.

The levy is intended to be used to ensure that all investors in the Funds are treated equitably by allocating transaction costs to the investors whose transactions give rise to those costs.

#### 5.10 Redeeming Units

To redeem Units, Holders should send a written redemption request to the Administrator (non-Hong Kong Holders) or the Hong Kong Representative (Hong Kong Holders) by mail or facsimile.

All requests received by facsimile will be treated as definitive orders and will not be capable of withdrawal after acceptance by the Administrator or the Hong Kong Representative.

Redemption requests that are incomplete or invalid will not be accepted until all the relevant information is obtained.

#### 5.11 Distribution and Redemptions

Holders may also submit redemption requests to distributors authorised by the Manager to distribute Units in the Funds, for onward transmission to the Administrator or the Hong Kong Representative.

Please note however that the Manager bears no responsibility for any failure, delay or default by a distributor in forwarding any such request to the Administrator or the Hong Kong Representative. A request is not valid until it has been received by the Administrator or the Hong Kong Representative on behalf of the Manager.

Holders making applications for redemption via dealing platforms or other electronic means are reminded that they must refer to the provider of the dealing platform or electronic means for the procedures that apply to such trading arrangements.

#### 5.12 Processing of Redemptions

Complete and valid redemption requests received by the Administrator (non-Hong Kong applicants) or the Hong Kong Representative (Hong Kong applicants) before the Dealing Deadline on a Dealing Day will be processed by reference to the Net Asset Value per Unit for that Dealing Day. Requests received after the Dealing Deadline will be processed by reference to the Net Asset Value per Unit issued on the next Dealing Day. Refer to "**Net Asset Value**" below for more information.

Unless a Supplement specifies otherwise, the Dealing Deadline for each Fund is 10.00 a.m. (Dublin time) for the Administrator and 5.00 p.m. (Hong Kong time) for the Hong Kong Representative.

The Manager may, at its discretion, deem any request received after the Dealing Deadline to have been received before the Dealing Deadline, if the request was received after the Dealing Deadline, but before the Valuation Point, due to no fault of the Holder.

The request should be signed by appropriate authorised signatories by or on behalf of the Holder and include details of the Holder's account number, the relevant name for the Fund, the class of Units to which the request relates, the Fund or share class identifier (i.e. ISIN), the amount or value of Units to be redeemed and the contact details of the person who should be contacted should the Administrator have any queries regarding the trade instruction. No redemption proceeds will be paid unless the original investor Application Form and anti-money laundering documentation has been received by the Administrator.

Redemption proceeds will be paid in accordance with the details provided in the original Application Form provided by the Holder, unless the Holder otherwise advises the Administrator or Hong Kong Representative by written notice signed by the Holder or all joint Holders and certified by a bank, broker or other person acceptable to the Administrator.

Investors should note that any redemption proceeds being paid out by a Fund and held for any time in the Subscriptions/Redemptions Account shall remain an asset of the relevant Fund until such time as the proceeds are released to the investor. This would include, for example, cases where redemption proceeds are temporarily withheld pending the receipt of any outstanding identity verification documents as may be required by the Manager or the Administrator – enhancing the need to address these issues promptly so that the proceeds may be released. It should also be noted that the investor shall have ceased being considered an investor and instead will rank as a general unsecured creditor of the Unit Trust.

Subject to the other terms of this Prospectus, payments of redemption proceeds in the Base Currency will normally be settled on the third Business Day following the relevant Dealing Day (T+3), but in any event within ten Business Days of the relevant Dealing Deadline (T+10). Payment will only be made to an account in the name of the registered unit holder. No payments to third parties will be made.

A redemption contract note confirming Units redeemed will be sent to the Holder within twenty one days of the relevant Dealing Day, once the net asset value for the relevant share class has been published.

Anti-money laundering procedures prevent the Administrator issuing third party cheques to Holders.

Account details should be kept confidential at all times, as the Hong Kong Representative, the Administrator and the Manager are authorised to act on redemption instructions from any person purporting to be a Holder, and quoting the correct account number.

When a redemption request has been submitted by a Holder who is or is deemed to be an Irish resident, or is acting on behalf of an Irish resident, the Manager shall deduct from the redemption proceeds an amount which is equal to the tax payable by the Unit Trust to the Revenue Commissioners in respect of the relevant transaction.

#### 5.13 Partial Redemptions and Minimum Investment Amounts

If a Holder requests a partial redemption which would reduce the value of the Holder's remaining investment below the minimum investment amount, the Manager may, at its discretion, decide to permit the partial redemption.

#### 5.14 Restrictions on Redemptions

In certain circumstances, the Manager has the discretion to implement measures to ensure the Funds are sufficiently liquid to meet redemption requests.

The Manager is entitled, with the approval of the Trustee, to limit the total number of Units of a particular Fund redeemed on any Dealing Day (whether by sale to the Manager or by cancellation by the Trustee) to Units representing 10% of the Net Asset Value of the relevant Fund.

In this event, the limitation will apply pro rata so that all Holders wishing to redeem Units of a particular Fund on that Dealing Day redeem the same proportion of such Units. Units not

redeemed, but which would otherwise have been redeemed, will be carried forward for redemption on the next Dealing Day.

The Trust Deed also contains provisions that permit the Manager to make an in specie distribution of investments to a Holder whose redemption request represents 5% or more of the Net Asset Value of a Fund. Any such distribution shall not be prejudicial to other Holders. However, the Holder may require the Manager to sell such investments on its behalf and pay it the proceeds of sale less any costs incurred in connection with such sale.

Further, the Manager may at its discretion, require up to 4 days' notice of each redemption request in respect of Institutional Units where such request (or series of requests from the one Holder) would result in the payment of an amount to that Holder which would in aggregate represent more than 5% of the Net Asset Value of the relevant Fund.

#### 5.15 Anti-Dilution Levy in Relation to Redemption of Units

The Manager may exercise its discretion to apply an anti-dilution levy in relation to redemptions of Units. The levy is an allowance for fiscal and other charges (estimated by the Administrator) that may be deducted from the Net Asset Value per Unit of the relevant class to reflect the costs of disposing of underlying assets to fund redemptions from the Fund.

The levy is intended to be used to ensure that all investors in the Funds are treated equitably by allocating transaction costs to the investors whose transactions give rise to those costs.

#### 5.16 Required Redemptions and Market Timing

The Funds are intended to be long-term investment vehicles and are not designed to provide Holders with a means of speculating on short-term market movements. Frequent purchases and redemptions by a Holder can disrupt the management of the Fund, negatively affect the Fund's performance, and increase expenses for all Holders. In particular, frequent trading (i) can force a Fund to hold larger cash positions than desired instead of fully investing the funds, which can result in lost investment opportunities; (ii) can cause unplanned and inopportune portfolio turnover in order to meet redemption requests, and; (iii) can increase broker-dealer commissions and other transaction costs as well as administrative costs for the Fund.

If an investor intends to trade frequently or use market timing investment strategies, they should not purchase Units in the Funds.

The Manager's policy is to discourage Holders from trading in a Fund's Units in an excessive manner that would be harmful to long-term Holders and to make reasonable efforts to detect and deter excessive trading.

Accordingly, the Manager, whenever it deems it to be appropriate and in the interests of Holders, reserves the right to reject any application for exchange and/or subscription of Units from Holders whom it considers to be associated with market timing activity at any time for any reason without prior notice. In this connection the Manager may combine Units which are under common ownership or control for the purposes of ascertaining whether Holders can be deemed to be involved in such activities. In addition, the Manager reserves the right to require any Holder to redeem all Units held in any Fund where the Manager is of the opinion that the Holder's trading in that Fund is designed to take advantage of short term market movements.

In circumstances where a Fund is primarily invested in markets which are closed for business at the time a Fund is valued the Manager may allow for the Net Asset Value per Unit to be adjusted to reflect more accurately the fair value of the Fund's assets at the point of valuation during periods of market volatility in accordance with the procedures as outlined below in Appendix B. Investment schemes are usually valued on the basis of the last available price as at the time when the Net Asset Value of the property in the Fund is calculated. The time difference between the close of the Market developments which could affect the value of these assets can occur between the close of the relevant markets and the point of valuation.

The Funds' policies for deterring frequent purchases and redemptions of Units by Holders are intended to be applied uniformly to all Holders to the extent practicable. Some financial intermediaries, however, maintain omnibus accounts in which they aggregate orders of multiple investors and forward aggregated orders. Because these are received on an aggregated basis and

because these omnibus accounts may trade with numerous fund families with differing market timing policies, the Funds are substantially limited in their ability to identify or deter excessive traders or other abusive traders. The Manager will use its best efforts to obtain the cooperation of intermediaries to identify excessive traders and to prevent or limit abusive trading activity, to the extent practicable. Nonetheless, the Funds' ability to identify and deter frequent purchases and redemptions of a Fund's Units through omnibus accounts is limited, and the Funds' success in accomplishing the objectives of the policies concerning frequent purchases and redemptions of Fund units in this context depends significantly upon the cooperation of the financial intermediaries.

#### 5.17 Suspension of Redemption of Units

The Manager may at any time, with the approval of the Trustee, temporarily suspend the right of Holders to require the redemption of Units of any class and/or may temporarily delay the payment of any monies in respect of any such redemption during the following periods:

- (i) any period when any Market on which a substantial part of the investments or other property for the time being comprised in the relevant Fund are quoted, listed or dealt in is closed otherwise than for ordinary holidays;
- (ii) any period when dealings on any such Market are restricted or suspended;
- (iii) the existence of any state of affairs as a result of which disposal of some or all investments or other property for the time being comprised in the relevant Fund cannot, in the opinion of the Manager, be effected normally or without seriously prejudicing the interests of Holders of that class;
- (iv) any breakdown in the means of communications normally employed in determining the Net Asset Value of the relevant Fund or when, for any other reason, the value of any investments or other property for the time being comprised in that Fund cannot be promptly and accurately ascertained;
- (v) any period when the redemption of investments or other property for the time being comprised in that Fund or the transfer of funds involved in such redemption cannot, in the opinion of the Manager, be effected at normal prices or normal rates of exchange.

Holders who have requested redemptions of any Units will be notified of any such suspension and, unless withdrawn (but subject to the limitation referred to above), their requests will be dealt with on the first Dealing Day after the suspension is lifted. Any such suspension will be notified to Euronext Dublin, the Central Bank and to the competent authorities in the Member States where Units of the relevant class or classes are marketed immediately. Where feasible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

#### 5.18 Dealing currencies

Transactions may be effected in each Fund in the Base Currency, as well as in Euros, Hong Kong Dollars, US Dollars, and Sterling. Other currencies may also be available, and applicants should contact the Administrator or the Hong Kong Representative for further information if required.

Where an applicant wishes to invest non-Base Currency amounts in a Fund, the Manager will arrange for the application monies to be converted into the Fund's Base Currency, so that Units can be purchased in the Fund. If a Holder wishes to receive redemption proceeds from a Fund in a non-Base Currency, the Manager will arrange for the proceeds to be converted into the currency selected, so that they can be paid as requested.

All non-Base Currency amounts received from applicants or to be paid on redemption will be converted at the expense and risk of the applicant or Holder, and the Manager is not responsible for the actual exchange rate that applies upon such conversion. Holders should be aware that gains and losses can occur on currency conversions, and that an exchange risk will arise over the period of the investment.

Investors in Hedged Units should be aware that the exchange rate used for the purpose of converting the proceeds of their trade to or from the relevant Base Currency is likely to be the rate prevailing at the time the necessary currency hedging contracts are put in place which means that this exchange rate risk is borne by those transacting investors rather than by the other investors in the relevant Hedged Unit Class.

Applications from persons wishing to purchase Units using non-Base Currency amounts will be processed on the date of receipt of the application in the same way as applications received in the Base Currency.

#### 5.19 Conversion of Units

Holders will be able to apply to convert on any Dealing Day all or part of their holding of Units in any Fund (the original class) into a class of Units in another Fund which are being offered at that time (the new class) by giving notice to the Administrator or the Hong Kong Representative. The general provisions and procedures relating to redemptions will apply equally to conversions. No conversion will be made, however, if it would result in the Holder holding a number of Units of the original class and/or the new class of a value which in aggregate is less than the minimum investment amount for the relevant class or classes of Units. Holders of Units of one class in a Fund may not, unless the Manager otherwise agrees, convert those Units into Units of another class in the same Fund.

The Manager has the power at its absolute discretion to convert a Holder's Units from one class to another in the same Fund, in the event that as a result of redemptions or conversions the value of the Holder's investment falls below the minimum investment amount specified by the Manager as attaching to that class of Unit.

As regards conversion of Units from one class to another the number of Units of the new class to be issued will be calculated in accordance with the following formula:

$$N = \frac{P(R \times CF)}{S}$$

S

Where:

N is the number of Units of the new class to be allocated

P is the number of Units of the original class to be converted

R is the redemption price per Unit of the original class for the relevant Dealing Day

CF is the currency conversion factor determined by the Administrator as representing the applicable rate of exchange on the relevant Business Day between the Base Currencies of the original class and the new class (where the Base Currencies are different)

S is the issue price per Unit of the new class for the relevant Dealing Day

A Holder of either Accumulation Units, Income Units or Income Plus Units may, upon notice to the Manager, elect to convert the whole or part of such Units into Units of the other type in the relevant Fund on the Dealing Day next following receipt of such notice by the Manager, at such rate of conversion as the Manager may decide based on the Net Asset Value per Unit of both types of Units in the relevant Fund on the relevant Dealing Day.

In addition, whereas the preliminary charge (current maximum 5%) and any other charges normally made on the issue of Units will not normally be made on a conversion, (unless the Fund the Holder is converting into has a higher preliminary charge than the Fund the Holder is converting from in which case the difference in preliminary charge will be the charge), the Manager is entitled to make any such charges at its discretion. In particular, if more than four conversions are made during a twelve month period, the Manager may, at its discretion, impose a service fee of up to one per cent of the value of the Units converted into another class of Units, or Units of another Fund, for any subsequent conversions during the subsequent twelve month period.

The conversion facility is not intended for short-term trading or excessive conversion activity, which may interfere with portfolio management and have an adverse impact on all Holders. In order to limit any excessive conversion activity and to promote the best interests of the Funds, the



Manager may reject a conversion request, and reserves the right to require any Holder to redeem all Units held in the Funds where the Manager is of the opinion that the Holder's trading in the Funds is designed to take advantage of short term market movements. The Manager may also decline to accept any further applications for Units from such persons.

#### 5.20 Transfer of Units

Units will be transferable by instrument in writing signed by (or, in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor provided that:

- (i) the transfer does not result in the transferor or the transferee holding a number of Units of a value which is less than the minimum investment amount for Units of the relevant class, unless the Manager at its absolute discretion specifically consents to such holding falling below the minimum investment amount for such Units;
- (ii) the transferee is a person who is entitled to make an application for Units; and
- (iii) the transferee (unless already a Holder) completes and furnishes an Application Form to the Administrator or the Hong Kong Representative.

Every instrument of transfer shall relate to one class of Unit only.

In the case of the death of one of joint Holders, the survivor or survivors will be the only person or persons recognised by the Trustee and the Manager as having any title to or interest in the Units registered in the names of such joint Holders.

If the transferor is or is deemed to be or is acting on behalf of an Irish resident, the Manager is entitled to redeem and cancel a sufficient portion of a transferor's Units as will enable the Unit Trust to pay the tax payable in respect of the transfer to the Revenue Commissioners in Ireland.

#### 5.21 Distribution Policy

The Trust Deed provides for the Manager to decide to make, and for the Trustee on each Distribution Date to make, distributions among Holders of Income Units and Income Plus Units in each Fund described herein out of:

- (i) Net income (i.e. income less expenses); and/or
- (ii) Realised gains net of realised and unrealised losses; and/or
- (iii) Capital;

In addition to distributions made on a Distribution Date, for each Fund, the Manager has the power under the Trust Deed to decide to make interim distributions. Each distribution shall be in such amount (if any) as the Manager may determine to distribute in respect of the relevant Accounting Period, less the amount, if any, of any interim distribution already made in respect of such Accounting Period. Net income includes all interest, dividends and other amounts deemed by the Manager to be in the nature of income less the estimated expenses of the Fund applicable to that dividend period.

Distributions will normally only be paid to the extent that they are covered by net income received from underlying investments.

The Manager will reinvest any net income distribution to which a Holder of Income Units is entitled in the application for further Income Units of the relevant Fund unless distributions can be paid in cash in respect of those Units, and the Holder had previously made an effective request for any distributions be paid to them in cash. In order to be effective any such prior request must have been made at the time the Holder was applying for Units or by serving notice in writing on the Manager and the Trustee, which notice must have been received by the Manager and the Trustee at least seven Business Days before the next following Distribution Date to be effective in respect of distributions paid on that date. Investors should contact the Administrator or the Hong Kong Representative to find out whether distributions can be paid in cash in respect of any given Fund or class of Units and the manner in which they are payable. In the event that the distribution is to

be reinvested, further Income Units will be issued on the Distribution Date or, if that is not a Dealing Day, on the next Dealing Day at a price calculated in the same way as for other issues of Income Units of the relevant class on this date but without incurring any preliminary charge. There is, however, no minimum of such further Income Units which may be so subscribed. Accumulation Units make no declarations or distributions. All income earned proportionately by the Accumulation Unit holders is reinvested within the relevant Fund and its impact reflected each day in the price of Accumulation Units.

It is intended, although not guaranteed, that Income Plus Units will distribute a set level of net income (the "**Target Income**") on each Distribution Date. In order to calculate the Target Income the Manager and/or its delegates will, on a best efforts basis, calculate the amount of net income to be received by the relevant Fund over the course of the Accounting Period and calculate a pro-rated amount to be distributed to the Income Plus Units on each Distribution Date.

Investors should note the Manager may, in its absolute discretion, limit fluctuations in the level of distributions in an Accounting Period from one interim distributions to another so that Holders of Income Plus Units receive smoothed income distributions of roughly equal levels with the balance being paid up in the final distribution (if any).

To that end, the Manager may, in its absolute discretion, reduce or forego the distribution payable on the Distribution Date and/or pay such distribution out of the capital of the Income Plus Units in the event that the pro rata net income attributable to the Income Plus Units is less than the Target Income as at the Distribution Date. It should be noted that if distribution is made out of capital, this could result in the erosion of capital in those Income Plus Units. Net income attributable to Income Plus Units in excess of any Target Income shall not be distributed on the interim Distribution Date but shall be accumulated and retained as part of the relevant Fund.

The Manager is obliged and entitled to deduct an amount in respect of Irish taxation from any dividend payable to an investor in the Unit Trust who is or is deemed to be an Irish resident or is acting on behalf of such a person and pay such sum to the Revenue Commissioners in Ireland.

Upon the expiry of the period of six years after the relevant Distribution Date, the Holder and any person claiming through, under or in trust for him shall forfeit any right to any distribution not paid, and such amount shall become part of the relevant Fund.

## 5.22 Net Asset Value

Applications for Units, redemptions of Units and conversions of Units are processed by reference to the Net Asset Value per Unit on the relevant Dealing Day. A preliminary charge may apply to applications for Units and an anti dilution levy may apply to applications for, or redemptions of, Units (refer to "**Subscription for Units**" and "**Redemption of Units**" above for more information).

The Net Asset Value per Unit of each Fund is calculated on every Dealing Day as of the Valuation Point for that Fund. It shall be notified to Euronext Dublin without delay. It is calculated by valuing the assets of the Fund, less all liabilities and attributing the relevant proportion of the Fund represented by one Unit of the class concerned. Units of each Fund will be issued and redeemed by reference to the Net Asset Value per Unit as described above. The assets of each Fund are valued according to the valuation techniques set out in Appendix B.

## 6 TAXATION

The following statements are by way of a general guide to potential investors and Holders only and do not constitute tax advice. Holders and potential investors are therefore advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling or otherwise disposing of the Units under the laws of their country of incorporation, establishment, citizenship, residence or domicile.

Holders and potential investors should note that the following statements on taxation are based on advice received by the Directors regarding the law and practice in force in the relevant jurisdiction at the date of this Prospectus and proposed regulations and legislation in draft form. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Unit Trust will endure indefinitely.

## 6.1 Ireland

### **Tax on Income and Capital Gains**

#### **The Unit Trust**

The Unit Trust will only be subject to tax on chargeable events in respect of Holders who are Irish Taxable Persons (generally persons who are resident or ordinarily resident in Ireland for tax purposes - see the definitions section for more details).

A chargeable event occurs on:

- (i) a payment of any kind to a Holder by the Unit Trust;
- (ii) a transfer, cancellation, redemption or repurchase of Units; and
- (iii) on the eighth anniversary of a Holder acquiring Units and every subsequent eighth anniversary

but does not include any transaction in relation to Units held in a clearing system recognised by the Revenue Commissioners, certain transfers arising as a result of an amalgamation or reconstruction of fund vehicles, the cancellation of Units in the Unit Trust arising from an exchange in relation to a scheme of amalgamation (as defined in section 739HA TCA), certain exchanges of units in the Unit Trust for other units in the Unit Trust and certain transfers between spouses or former spouses.

If a Holder is not an Irish Taxable Person at the time a chargeable event arises and, where necessary, has provided the appropriate declaration described further below, no Irish tax will be payable on that chargeable event in respect of that Holder.

Where tax is payable on a chargeable event, subject to the comments below, it is a liability of the Unit Trust which is recoverable by deduction or, in the case of a transfer and on the eight year rolling chargeable event by cancellation or appropriation of Units from the relevant Holders. In certain circumstances, and only after notification by the Manager to a Holder, the tax payable on the eight year rolling chargeable event can at the election of the Manager become a liability of the Holder rather than the Unit Trust. In such circumstances the Holder must file an Irish tax return and pay the appropriate tax (at the rate set out below) to the Revenue Commissioners.

In the absence of the appropriate declaration being received by the Unit Trust that a Holder is not an Irish Taxable Person or if the Unit Trust has information that would reasonably suggest that a declaration is incorrect, and in the absence of written notice of approval from the Revenue Commissioners to the effect that the requirement to have been provided with such declaration is deemed to have been complied with (or following the withdrawal of, or failure to meet any conditions attaching to such approval), the Unit Trust will be obliged to pay tax on the occasion of a chargeable event (even if, in fact, the Holder is neither resident nor ordinarily resident in Ireland). Where the chargeable event is an income distribution, tax will be deducted at the rate of 41% on the amount of the distribution. Where the chargeable event occurs on any other payment to a Holder, not being a company, on a transfer of Units and on the eight year rolling chargeable event, tax will be deducted at the rate of 41% on the increase in value of the Units since their acquisition. In respect of the eight year rolling chargeable event, there is a mechanism for obtaining a refund of tax where the Units are subsequently disposed of for a lesser value.

An Irish Taxable Person who is a company which holds Units directly or indirectly by or for a trading branch or agency of the Holder in Ireland, will be liable for Irish corporation tax on income from the Units or gains made on the disposal of the Units.

An anti-avoidance provision increases the 41% rate of tax to 60% (80% where details of the payment/disposal are not correctly included in the individual's tax returns) if under the terms of an investment in a fund, the investor or certain persons associated with the investor have an ability to influence the selection of the assets of the fund.

Other than in the instances described above the Unit Trust will have no liability to Irish taxation on income or chargeable gains.

#### **Holders**

Holders who are neither resident nor ordinarily resident in Ireland in respect of whom the appropriate declarations have been made (or in respect of whom written notice of approval from the Revenue Commissioners has been obtained by the Unit Trust to the effect that the requirement to have been provided with such declaration from that Holder or class of Holders to which the Holder belongs is deemed to have been complied with) will not be subject to tax on any distributions from the Unit Trust or any gain arising on redemption, repurchase or transfer of their Units provided the Units are not held through a branch or agency in Ireland and the Units, if unlisted, do not derive the greater part of their value from Irish land or mineral rights. No tax will be deducted from any payments made by the Unit Trust to those Holders who are not Irish Taxable Persons.

Holders who are Irish resident or ordinarily resident or who hold their Units through a branch or agency in Ireland may have a liability under the self-assessment system to pay tax, or further tax, on any distribution or gain arising from their holdings of Units. In particular where the Manager has elected to not deduct tax at the occasion of the eight year rolling chargeable event a Holder will have an obligation to file a self assessment tax return and pay the appropriate amount of tax to the Revenue Commissioners.

Where the Holder is an Irish Taxable Person and is a company, and the payment is not taxable as trading income under Schedule D Case I, the amount received will be treated as the net amount of an annual payment chargeable to tax under Schedule D Case IV from the gross amount of which income tax has been deducted. The rate of tax applicable to a Chargeable Event in respect of any Irish tax resident corporate investor in this instance is 25% provided the corporate investor has made a declaration to the Unit Trust including its Irish tax reference number.

Where the Holder is an Irish Taxable Person and is a company, and the payment is taxable as trading income under Schedule D Case I, the following provisions apply:

- (i) the amount received by the Holder is increased by any amount of tax deducted by the Unit Trust and will be treated as income of the Holder for the chargeable period in which the payment is made;
- (ii) where the payment is made on the sale, transfer, an eight year rolling chargeable event, cancellation, redemption or repurchase of Units, such income will be reduced by the amount of consideration in money or money's worth given by the Holder for the acquisition of those Units; and
- (iii) the amount of tax deducted by the Unit Trust will be set off against the Irish corporation tax assessable on the Holder in respect of the chargeable period in which the payment is made.

Refunds of tax where a relevant declaration could be made but was not in place at the time of a chargeable event are generally not available except in the case of certain corporate Holders within the charge to Irish corporation tax.

### **Stamp duty**

No Irish stamp duty will be payable on the subscription, transfer or redemption of Units provided that no application for Units or re-purchase or redemption of Units is satisfied by an in specie transfer of any Irish situated property.

### **Capital acquisitions tax**

No Irish gift tax or inheritance tax (capital acquisitions tax) liability will arise on a gift or inheritance of Units provided that:

- (a) at the date of the disposition the transferor is neither domiciled nor ordinarily resident in Ireland and at the date of the gift or inheritance the transferee of the Units is neither domiciled nor ordinarily resident in Ireland; and
- (b) the Units are comprised in the disposition at the date of the gift or inheritance and the valuation date.

### **Other Tax Matters**

The income and/or gains of the Unit Trust from its securities and assets may suffer withholding tax in the countries where such income and/or gains arise. The Unit Trust may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in repayment to the Unit Trust, the net asset value of the relevant Fund will not be restated and the benefit will be allocated to the existing Holders rateably at the time of repayment.

#### **Automatic exchange of information**

Irish reporting financial institutions, which may include the Trust, have reporting obligations in respect of certain investors under FATCA as implemented pursuant to the Ireland – US intergovernmental agreement and/or the OECD's Common Reporting Standard (see below). The Unit Trust may request information from Unitholders from time to time as necessary for the Unit Trust to comply with its requirements under FATCA and the Common Reporting Standard, as the case may be, and such Unitholders are similarly obligated to inform the Unit Trust of any change in circumstance that may subsequently impact any information previously provided.

#### **FATCA**

The Unit Trust may be obliged to report certain information in respect of U.S. investors in the Unit Trust to the Revenue Commissioners who will then share that information with the U.S. tax authorities. FATCA imposes a 30% US withholding tax on certain 'withholdable payments' made on or after 1 July 2014 unless the payee enters into and complies with an agreement with the U.S. Internal Revenue Service (**IRS**) to collect and provide to the IRS substantial information regarding direct and indirect owners and account holders.

On 21 December 2012 the governments of Ireland and the U.S. signed the IGA. Under the IGA, Ireland agreed to implement legislation to collect certain information in connection with FATCA and the Irish and U.S. tax authorities have agreed to automatically exchange this information. The IGA provides for the annual automatic exchange of information in relation to accounts and investments held by certain U.S. persons in a broad category of Irish financial institutions and vice versa.

Under the IGA and the Financial Accounts Reporting (United States of America) Regulations 2014 (as amended) (the **Irish Regulations**) implementing the information disclosure obligations, Irish financial institutions which may include the Unit Trust are required to report certain information with respect to U.S. account holders to the Revenue Commissioners. The Revenue Commissioners will automatically provide that information annually to the IRS. The Unit Trust (and Manager on behalf of the Trust) must obtain the necessary information from investors required to satisfy the reporting requirements whether under the IGA, the Irish Regulations or any other applicable legislation published in connection with FATCA and such information is being sought as part of the application process for Units in the Trust. It should be noted that the Irish Regulations require the collection of information and filing of returns with the Revenue Commissioners regardless as to whether the Unit Trust holds any U.S. assets or has any U.S. investors.

If a Holder causes the Unit Trust to suffer a withholding for or on account of FATCA (**FATCA Deduction**) or other financial penalty, cost, expense or liability, the Unit Trust may compulsorily redeem any Units of such Holder and/or take any actions required to ensure that such FATCA Deduction or other financial penalty, cost, expense or liability is economically borne by such Holder. While the IGA and the Irish Regulations should serve to reduce the burden of compliance with FATCA, and accordingly the risk of a FATCA withholding on payments to the Unit Trust in respect of its assets, no assurance can be given in this regard. As such, Holder should obtain independent tax advice in relation to the potential impact of FATCA before investing.

#### **Common Reporting Standard (CRS)**

CRS is a global OECD tax information exchange initiative which is aimed at encouraging a coordinated approach to disclosure of income earned by individuals and organisations.

Ireland is a signatory jurisdiction to a Multilateral Competent Authority Agreement on the automatic exchange of financial account information in respect of CRS while the Finance Act 2014 and Finance Act 2015 contained measures necessary to implement the CRS internationally and across the European Union, respectively. The CRS Regulations giving effect to the CRS from 1 January 2016 came into operation on 31 December 2015.

Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation ("**DAC II**") implements CRS in a European context and creates a mandatory obligation for all EU Member States to exchange financial account information in respect of residents in other EU Member States on an annual basis. The Irish Finance Act 2015 contained measures necessary to implement the DAC II. Regulations, the Mandatory Automatic Exchange of Information in the Field of Taxation Regulations 2015 (together with the CRS Regulations, the "**Regulations**"), giving effect to DAC II from 1 January 2016, came into operation on 31 December 2015.

Under the Regulations reporting Financial Institutions, which include the Unit Trust, are required to collect certain information on accountholders and on certain controlling persons in the case of the accountholder(s) being an entity, as defined for CRS purposes, (e.g. name, address, jurisdiction of residence, TIN, date and place of birth (as appropriate), the account number and the account balance or value at the end of each calendar year) to identify accounts which are reportable to the Revenue Commissioners by 30 June in the year following the year of assessment for which a return is due. The Revenue Commissioners shall in turn exchange such information with their counterparts in participating jurisdictions. Further information in relation to CRS and DAC II can be found on the Automatic Exchange of Information (AEOI) webpage on [www.revenue.ie](http://www.revenue.ie)

## **Definitions**

Please note the following definitions in this regard.

### **Residence – Company**

Prior to Finance Act 2014, company residence was determined with regard to the long-established common law rules based on central management and control. These rules were significantly revised in Finance Act 2014 to provide that a company incorporated in Ireland will be regarded as resident for tax purposes in Ireland, unless it is treated as resident in a treaty partner country by virtue of a double taxation treaty. While the common law rule based on central management and control remains in place, it is subject to the statutory rule for determining company residence based on incorporation in Ireland set out in the revised section 23A TCA 1997.

The new incorporation rule for determining the tax residence of a company incorporated in Ireland will apply to companies incorporated on or after 1 January 2015. For companies incorporated in Ireland before this date, a transition period will apply until 31 December 2020.

We would recommend that any Irish incorporated company that considers it is not Irish tax resident seeks professional advice before asserting this in any tax declaration given to the Unit Trust.

### **Residence - Individual**

An individual will be regarded as being resident in Ireland for a tax year if they:

- (i) spend 183 days or more in Ireland in that tax year; or
- (ii) have a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that tax year together with the number of days spent in Ireland in the preceding year.

Presence in a tax year by an individual of not more than 30 days in Ireland will not be reckoned for the purpose of applying the two year test. Presence in Ireland for a day means the personal presence of an individual at any time during the day.

### **Ordinary Residence - Individual**

The term "ordinary residence" as distinct from "residence", relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity.

An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year.

An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which they are not resident. Thus, an individual who is resident and ordinarily resident in Ireland in 2020 and departs from Ireland in that tax year will remain ordinarily resident up to the end of the tax year in 2023.

## Intermediary

This means a person who:

- (a) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking resident in Ireland on behalf of other persons; or
- (b) holds units in an investment undertaking on behalf of other persons.

### 6.2 United States

The Unit Trust intends to conduct its affairs such that neither it nor its investors will be subject to United States federal income tax solely as a result of the activities of, or investments in, the Unit Trust. The Unit Trust may, however, be subject to United States federal withholding tax upon its receipt of United States source interest or dividends, and the Unit Trust is not required to consider the effect of such withholding tax in making its investments.

Special rules may apply to investors that are former citizens of the United States, controlled foreign corporations as to the United States, foreign insurance companies that hold or are deemed to hold Units in connection with their United States businesses, foreign personal holding companies and corporations which accumulate earnings to avoid United States federal income tax. In particular, special rules govern the indirect ownership, through a controlled foreign corporation, of units in a **passive foreign investment company**.

### 6.3 Other Jurisdictions

As Holders are no doubt aware, the tax consequences of any investment can vary considerably from one jurisdiction to another, and ultimately will depend on the tax regime of the jurisdictions within which a person is tax resident. Therefore the Directors strongly recommend that Holders obtain tax advice from an appropriate source in relation to the tax liability arising from the holding of Units in a Fund and any investment returns from those Units. It is the Director's intention to manage the affairs of the each Fund so that it does not become resident outside of Ireland for tax purposes.

The Unit Trust may be subject to withholding, VAT, transfer taxes or other similar taxes based on the investments made or the income or gains received by the Unit Trust and the Unit Trust is not required to consider the effect of such withholding tax in making investments. The Unit Trust makes no representation that the Unit Trust is eligible for or obligation to obtain treaty benefits for any investment in any country.

**The above statements, which are intended as a general guide only, reflect the Manager's understanding of current tax law, regulation and practice applicable to investors beneficially holding their Units as investments in the above named jurisdictions. All investors should seek their own professional advice as to tax matters before investing.**

## 7 MANAGEMENT OF THE UNIT TRUST

### 7.1 Manager

The Manager was incorporated in Ireland on 22nd March, 1999 and is ultimately a wholly-owned subsidiary of Principal Financial Group Inc. The authorised share capital of the Manager is €2,000,000. The issued and paid up share capital of the Manager is €150,000. The Manager has the right under the Trust Deed to retire at any time upon the appointment of a successor as provided in the Trust Deed. It may be removed by the Trustee in certain circumstances, including where the Holders of not less than 50% of the Units in the Unit Trust for the time being in issue so request. The company secretary of the Manager is MFD Secretaries Limited.

The Trust Deed contains provisions governing the responsibilities of the Manager and provides for its indemnification in certain circumstances, subject to exclusions in the case of fraud or negligence of which it may be guilty in relation to its duties.

### 7.2 Directors of the Manager

**David Shubotham** – has been a main board director of J & E Davy (an Irish stockbroking firm) since 1975. He has worked with Davy Stockbrokers for over 25 years. He is a qualified accountant and graduated with a Bachelor of Commerce degree from University College, Dublin in 1969.

**Roberto Walker** – is President of Principal International Latam. Roberto joined the company in 1996 and most recently served as COO, Principal International Latam, responsible for the development and execution of the business strategy in Latin America; development of asset management and mutual fund businesses. Previously he has held the following roles within Principal International: CIO & CFO, Chile; Country Head, Mexico; Head of Funds Management overseeing Latam & Asia mutual funds and asset management services. Prior to joining Principal International Chile, he was CIO - Citibank Global Asset Management; Managing Director, Citibank Asset Management - Chile. Roberto holds a bachelor's degree in business administration specializing in economics and finance from Universidad de Chile. In 2012, completed the Columbia Senior Executive Program at Columbia Business School Executive Education. He is currently Director of American Chamber in Chile.

**Bronwyn Wright** - is a former Citigroup Managing Director having worked in Capital Markets and Banking, where she was Head of Securities and Fund Services for Citi Ireland with responsibility for the management, growth and strategic direction of the securities and fund services business, which included funds, custody, security finance and global agency and trust. Due to her role in managing, leading and growing Citi's European fiduciary business, Bronwyn has extensive knowledge of regulatory requirements and best market practice in the UK, Luxembourg, Jersey and Ireland. She has sat and chaired the boards of the applicable legal vehicles for the fiduciary businesses in each jurisdiction. Due to her engagement in due diligence exercises she also understands the Nordics, Germany and Asia. Bronwyn holds a degree in Economics and Politics as well as a Master's degree in Economics from University College Dublin. Bronwyn is past chairperson of the Irish Funds Industry Association committee for Trustee Services. She is a former lecturer for the Institute of Bankers in the Certificate and Diploma in Mutual Funds. She is co-author of the Institute of Bankers Diploma in Legal and Regulatory Studies. She has written numerous industry articles, chaired and participated in industry seminars in Europe and the US. She was on an Executive Committee for the DIT School of Accounting and Finance postgraduate doctorate programme.

**John O'Connell** - is an Independent Non-Executive Chairman and Director. He has almost thirty years' experience in international investment and funds governance. John has sat on the boards of investment funds and banks in Ireland, the UK and mainland Europe and currently acts as director to a number of Irish domiciled funds and management companies. He has run multi-billion dollar portfolios across all global asset classes for an international client base and managed investment fund businesses operating in European markets. Having worked with a variety of fund promoters such as Citigroup, Bank of Tokyo and Irish Life (both as an executive and non-executive), he has a keen insight into the pressures and opportunities presented by the global funds industry. John is an honours graduate of Trinity College Dublin (Economics), a Fellow of the Chartered Institute of Securities and Investment (FCSI) and a qualified Member (IoD Dip) of the Institute of Directors.

**James Firth** - was an employee of Russell Investments from 1988 until his retirement in June 2014. He spent eight years advising Russell's US investment advisory, mutual fund and ERISA businesses before relocating to London in 1996. During his 18 years with Russell in London he managed several departments, including all the assurance function, product development and marketing teams. He was the principal liaison with government, regulatory and industry groups in EMEA, and advised members of senior management in other regions in which the Russell Group operates on business, product and legal matters. Currently Mr. Firth is a non executive director on the boards of fund management, administration and distribution companies authorised by the Central Bank and in the Cayman Islands. He holds a law degree from Southern Methodist University, Dallas, Texas, and is a member of the Washington State, American and International Bar Associations as well as the UK's Institute of Directors.

**Greg Thornton** – is Managing Director, International Funds at Principal Global Investors (Europe) Limited. He is responsible for all aspects of the development, product management and operation of PGI's ex-US pooled fund platforms. Greg joined the firm in January 2006. During a career in financial services and investment spanning more than 30 years he has previously served in a number of roles with various London based asset managers, including Head of Product



Development at F&C Asset Management, and Head of UK Product Development at JP Morgan Asset Management. He is a member of the Irish Funds Working Group on Management Company Effectiveness and has also served as a member of the UK Investment Management Association Offshore Funds Advisory Group. He and has been an Associate of the Chartered Insurance Institute since March 1994. Greg is resident in the United Kingdom.

**Kamal Bhatia** – is President & CEO of Principal Funds. He leads global business platforms across retirement, wealth and education segments and supervises strategic, operating and financial responsibilities for mutual funds, ETFs and UCITS investors. Kamal is a member of the PGI Operating Committee and global regulatory Boards. He has over 20 years of asset management experience, across a variety of executive roles in business development, product management, corporate strategy and investment analytics. Prior to joining Principal, Kamal was CEO for OC Private Capital, a joint venture between Oppenheimer Funds and the Carlyle Group focused on private wealth credit solutions. Kamal also worked for TIAA-CREF asset management, Mellon Asset Management & Citigroup. Kamal has B. Tech from IIT Kanpur, India and MS from Washington University in St. Louis. He is a CFA charter holder and has served on business and non-profit boards.

For the purpose of this Prospectus, the address of all the Directors is the registered office of the Manager.

No Director has:

- (i) any unspent convictions in relation to indictable offences; or
- (ii) been a director of any company or partnership which, while he was a director with an executive function or partner at the time of or within the 12 months preceding such events, been declared bankrupt, went into receivership, liquidation, administration or voluntary arrangements; or
- (iii) been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies); or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of affairs of any company.

### 7.3 Trustee

The Manager has appointed The Bank of New York Mellon SA/NV, Dublin Branch to act as the trustee and depositary to the Unit Trust. The Trustee is a limited liability company established in Belgium on 30 September 2008. The principal activity of the Trustee is asset servicing, which is provided to both third party and to internal clients within The Bank of New York Mellon group. The Trustee is regulated and supervised as a significant credit institution by the European Central Bank (ECB) and the National Bank of Belgium (NBB) for prudential matters and under the supervision of the Belgian Financial Services and Markets Authority (FSMA) for conduct of business rules. It is regulated by the Central Bank for conduct of business rules.

The Trustee is a wholly-owned subsidiary of The Bank of New York Mellon ("**BNY Mellon**"). BNY Mellon is a global financial services company focused on helping clients manage and service their financial assets, operating in 35 countries and serving more than 100 markets. BNY Mellon is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team. As at 31 March 2019, it had US\$34.5 trillion in assets under custody and administration and US\$1.8 trillion in assets under management

The duty of the Trustee is to provide safekeeping, oversight and asset verification services in respect of the assets of the Unit Trust and each Fund, and in accordance with the terms of the Trust Deed and the provisions of UCITS V, the Trustee shall carry out functions in respect of the Unit Trust including but not limited to the following:

- (i) the Trustee shall, in respect of each Fund, hold in custody all financial instruments capable of being registered or held in a financial instruments account opened in the

Trustee's books and all financial instruments capable of being physically delivered to the Trustee;

- (ii) the Trustee shall verify each Fund's ownership of all or any assets (other than those referred to in (i) above) and maintain and keep up-to-date a record of such assets it is satisfied are owned by the Funds;
- (iii) the Trustee shall ensure effective and proper monitoring of each Funds' cash flows;
- (iv) the Trustee shall be responsible for certain oversight obligations in respect of the Unit Trust – see "Summary of Oversight Obligations" below.

In accordance with the Trust Deed, the Trustee may delegate duties and functions in relation

to (i) and (ii) above, subject to certain conditions. A list of the Trustee's delegates can be found at Appendix F. The liability of the Trustee will not be affected by virtue of any such delegation.

Duties and functions in relation to (iii) and (iv) above may not be delegated by the Trustee.

#### *Summary of Oversight Obligations*

The Trustee is obliged to ensure, among other things, that:

- (i) the sale, issue, redemption and cancellation of Units effected on behalf of the Funds are carried out in accordance with the conditions imposed by the Central Bank and the Trust Deed;
- (ii) the value of Units is calculated in accordance with the Regulations and the Trust Deed;
- (iii) in transactions involving the assets of the Funds, any consideration is remitted to it within the usual time limits;
- (iv) each Fund's income is applied in accordance with the Regulations and the Trust Deed;
- (v) the instructions of the Manager are carried out unless they conflict with the Regulations or the Trust Deed; and
- (vi) it has enquired into the conduct of the Unit Trust in each Accounting Period and reports thereon to the Holders. The Trustee's report will be delivered to the Manager in good time to enable the Manager to include a copy of the report in the annual report of the Unit Trust. The Trustee's report will state whether in the Trustee's opinion each Fund has been managed in that period:
  - (A) in accordance with the limitations imposed on the investment and borrowing powers of the Fund imposed by the Trust Deed or the Regulations; and
  - (B) otherwise in accordance with the provisions of the Trust Deed.
  - (C) If the Unit Trust has not complied with a) or b) above, the Trustee will state why this is the case and will outline the steps that the Trustee has taken to rectify the situation. The oversight duties provided for above may not be delegated by the Trustee to a third party.
  - (D) In discharging its role, the Trustee shall act honestly, fairly, professionally, independently and in the interests of the Unit Trust, the Funds and the Holders.

## 7.4 Adviser

Pursuant to an investment advisers agreement (as amended and novated) dated 21 October 2019 (the "**Investment Advisers Agreement**"), the Manager has appointed Principal Global Investors, LLC to manage all of the assets in the Funds. The Adviser is also the primary entity that promotes the Unit Trust.

#### 7.5 Sub-Advisers

The Adviser may delegate some or all of its investment management responsibility for any of the Funds to Sub-Advisers. Details of any Sub-Adviser appointed by the Adviser in respect of a Fund but not paid directly out of the assets of the relevant Fund are available upon request and will be set out in the periodic reports for that Fund.

#### 7.6 Administrator

The Administrator is a designated activity company incorporated in Ireland on 31st May 1994 and is engaged in the provision of fund administration, accounting, registration, transfer agency and related shareholders services to collective investment schemes and investment funds. The Administrator is authorised by the Central Bank under the Investment Intermediaries Act 1995. The Administrator is a wholly-owned indirect subsidiary of The Bank of New York Mellon Corporation.

#### 7.7 Conflicts of Interest

Each of the Manager, the Administrator, the Trustee, the Adviser and the Sub-Advisers (each a "**Connected Person**") may in the course of their businesses have conflicts of interest with the Unit Trust. Each Connected Person will, however, have regard in such event to its obligations to act in the best interests of Holders when undertaking any investments where conflicts of interest may arise and will seek to resolve such conflicts fairly.

The Adviser will have regard in such event to its obligations under the Investment Advisers Agreement and, in particular, to its obligations to act in the best interests of the Unit Trust and of the relevant Fund when undertaking any investments where potential conflicts of interests may arise. Each of the Sub-Advisers will have regard in such event to its obligations under the Sub-Investment Advisers Agreement and, in particular, to its obligations to act in the best interests of the Unit Trust and of the relevant Fund when undertaking any investments where potential conflicts of interests may arise. The Administrator will have regard in such event to its obligations under the Administration Agreement. The Trustee will have regard in such event to its obligations under the Trust Deed.

Please also refer to the section in Appendix C entitled "Portfolio Transactions, Manager's Unit Dealing and Manager's Remuneration Policy".

The preceding list of potential conflicts of interest does not purport to be a complete enumeration or explanation of all of the conflicts of interest that may be involved in an investment in the Unit Trust.

## **APPENDIX A: INVESTMENT RESTRICTIONS**

Investments may only be made as permitted by this Prospectus and the Regulations and subject to any restrictions and limits set out in this Prospectus and the Regulations. These restrictions include the following provisions:

### **1 Permitted Investments**

Investments of each Fund are confined to:

- 1.1 Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in an Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in an Member State or non-Member State (and which in each case is listed in Appendix E).
- 1.2 Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
- 1.3 Money market instruments other than those dealt on a regulated market.
- 1.4 Units of UCITS.
- 1.5 Units of AIFs.
- 1.6 Deposits with credit institutions.
- 1.7 FDI.

### **2 Investment Limits**

- 2.1 A Fund may invest no more than 10% of its Net Asset Value in transferable securities and money market instruments other than those referred to in paragraph 1 above.
- 2.2 A Fund shall not invest any more than 10% of its Net Asset Value in securities of the type to which Regulations 68(1)(d) of the Regulations apply. This restriction will not apply in relation to investment by each Fund in certain U.S. securities known as Rule 144A securities provided that:
  - (a) The relevant securities have been issued with an undertaking to register the securities with the U.S. Securities and Exchanges Commission within one year of issue; and
  - (b) the securities are not illiquid securities i.e. they may be realised by each Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.
- 2.3 A Fund may invest no more than 10% of its Net Asset Value in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
- 2.4 Subject to the prior approval of the Central Bank, the limit of 10% in 2.3 is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5% of its Net Asset Value in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the Net Asset Value of the Fund.
- 2.5 The limit of 10% in 2.3 is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
- 2.6 The transferable securities and money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.

- 2.7 Cash booked in accounts and held as ancillary liquidity shall not exceed 20% of the net assets of the Fund.
- 2.8 The risk exposure of each Fund to a counterparty to an OTC derivative may not exceed 5% of its Net Asset Value. This limit is raised to 10% in the case of a credit institution authorised in the EEA, a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988, or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.
- 2.9 Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of the Net Asset Value of a Fund:
- (a) investments in transferable securities or money market instruments;
  - (b) deposits, and/or
  - (c) counterparty risk exposures arising from OTC derivative transactions.
- 2.10 The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of the Net Asset Value of a Fund.
- 2.11 Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of the Net Asset Value of a Fund may be applied to investment in transferable securities and money market instruments within the same group.
- 2.12 A Fund may invest up to 100% of its Net Asset Value in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, Non-Member States or public international bodies of which one or more Member States are members or any of the following:
- 2.13 OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are investment grade), Government of India (provided the issues are investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development, (the World Bank), The Inter-American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC and Export-Import Bank.
- 2.14 Where a Fund invests in accordance with this provision, the Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of its Net Asset Value.

### **Investment in Collective Investment Schemes (CIS)**

- 3 A Fund may not invest in aggregate more than 10% of its Net Asset Value in other open-ended CIS.
- 3.1 The CIS are prohibited from investing in more than 10% of net assets in other open-ended CIS.
- 3.2 When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the Manager or by any other company with which the Manager is linked by common management or control, or by a substantial direct or indirect holding, neither the Manager, nor that other company
- 3.3

may charge subscription, conversion or redemption fees on account of that Fund's investment in the units of such other CIS.

- 3.4 Where by virtue of an investment in the units of another CIS, the Manager or Adviser receives a commission on behalf of the Fund (including a rebated commission) the Manager or Adviser shall ensure that the relevant commission is paid into the property of the Fund.
- 3.5 A Fund established as a feeder fund pursuant to the UCITS Directive must invest at least 85 per cent of its assets in the units of the master fund.

#### **4 Index Tracking UCITS**

- 4.1 A Fund may invest up to 20% of its Net Asset Value in shares and/or debt securities issued by the same body where the investment policy of the Fund is to replicate an index which satisfies the criteria set out in the Central Bank Requirements and is recognised by the Central Bank.
- 4.2 The limit in 4.1 may be raised to 35% of the Net Asset Value of the Fund, and applied to a single issuer, where this is justified by exceptional market conditions.

#### **5 General Provisions**

- 5.1 The Manager acting in connection with all of the CISs it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- 5.2 Each Fund may acquire no more than:
- (a) 10% of the non-voting shares of any single issuing body;
  - (b) 10% of the debt securities of any single issuing body;
  - (c) 25% of the units of any single CIS;
  - (d) 10% of the money market instruments of any single issuing body.

NOTE: The limits laid down in 5.2(b) to 5.2(d) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments or the net amount of the securities in issue cannot be calculated.

- 5.3 5.1 and 5.2 shall not be applicable to:
- (a) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
  - (b) transferable securities and money market instruments issued or guaranteed by a non-Member State;
  - (c) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
  - (d) shares held by each Fund in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, 5.5 and 5.6 are observed;

- (e) shares held by a Fund in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of Units at Holders' request exclusively on their behalf.

- 5.4 A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
- 5.5 The Central Bank may allow a recently authorised Fund to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of its authorisation, provided it observes the principle of risk spreading.
- 5.6 If the limits laid down herein are exceeded for reasons beyond the control of a Fund, or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Holders.
- 5.7 A Fund may not carry out uncovered sales of: transferable securities; money market instruments; units of CIS; or FDI. A Fund may hold ancillary liquid assets.

## **6 Financial Derivative Instruments (FDIs)**

- 6.1 A Fund's global exposure relating to FDI must not exceed its total Net Asset Value (this may not be applied to Funds that calculate their global exposure using the VaR methodology as disclosed in the relevant Supplement).
- 6.2 Position exposure to the underlyings of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank Requirements. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank Requirements).
- 6.3 A Fund may invest in OTC FDI provided that the counterparties to the OTC FDI are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
- 6.4 Investment in FDI is subject to the conditions and limits laid down by the Central Bank.

## APPENDIX B: VALUATION TECHNIQUES

- 1 The Net Asset Value of the Funds shall be calculated by or on behalf of the Manager on each Dealing Day by ascertaining the value of the assets of the Funds at the Valuation Point on such Dealing Day and deducting from such amount the liabilities of the Funds on such Dealing Day.
- 2 The assets of the Funds will be valued as follows:
  - (a) assets listed or traded on a stock exchange or over-the-counter market (other than those referred to at (g) and (h) below) for which market quotations are readily available shall be valued at the closing or last known market price which for the purposes of the Unit Trust shall be understood to mean the mid-price or, if unavailable or unrepresentative, the last quoted trade price on the principal exchange or market for such investment at the Valuation Point provided that the value of any investment listed on a stock exchange or over-the-counter market but acquired or traded at a premium or at a discount outside or off the relevant stock exchange or on an over-the-counter market may, with the approval of the Trustee, be valued taking into account the level of premium or discount as at the date of valuation of the investment.
  - (b) If for specific assets the mid-prices or the last quoted trade prices do not, in the opinion of the Manager, reflect their fair value, or are not available the value of the security is its probable realisation value which must be estimated in care and good faith. The asset may be valued by the Manager or alternatively valued by a competent person appointed by the Manager and approved for the purpose by the Trustee, or alternatively to that, the asset can be valued by any other means provided that the value is approved by the Trustee.
  - (c) if the assets are listed or traded on several stock exchanges or over-the-counter markets, the mid-price on the stock exchange or over-the-counter market which, in the opinion of the Manager, constitutes the main market for such assets will be used;
  - (d) in the event that any of the investments are not listed or traded on any stock exchange or over-the-counter market, such securities shall be valued at their probable realisation value which must be estimated in care and good faith. The asset may be valued by the Manager or alternatively valued by a competent person appointed by the Manager and approved for the purpose by the Trustee, or alternatively to that, the asset can be valued by any other means provided that the value is approved by the Trustee. Such probable realisation value will be determined;
    - (i) by using the original purchase price;
    - (ii) where there have been subsequent trades with substantial volumes, by using the last traded price provided the Manager in consultation with the Adviser considers such trades to be at arm's length;
    - (iii) where the Manager in consultation with the Adviser believes the investment has suffered a diminution in value, by using the original purchase price which shall be discounted to reflect such a diminution;
    - (iv) if the Manager in consultation with the Adviser believes a mid-quotation from a broker is reliable, by using such a mid-quotation or, if unavailable, a bid quotation.
  - (e) Due to the nature of such unquoted securities and the difficulty in obtaining a valuation from other sources, such competent professional may be related to the Adviser;
  - (f) cash and other liquid assets will be valued at their face value with interest accrued, or less debit interest, where applicable;
  - (g) units or shares in open-ended collective investment schemes will be valued at the latest available net asset value; units or shares in other collective investment schemes will, if



listed or traded on a stock exchange or over the counter market, be valued at a mid-quotation from a broker (or if unavailable, a bid quotation, or, if unavailable, the latest quoted trade price,) or, if unavailable or unrepresentative, (as determined by the Manager in its absolute discretion,) the latest available net asset value as deemed relevant to the collective investment scheme;

- (h) listed securities which are traded at a premium or discount on an over-the-counter market shall be valued, with the approval of the Trustee, by taking such premia/discounts thereon which shall be provided by an independent broker or market maker. However, the Manager may adjust the value of such investments if it considers such adjustment is required to reflect the fair value thereof;
- (i) any value expressed otherwise than in the Base Currency of the Fund (whether of an investment or cash) and any non-Base Currency borrowing shall be converted into the Base Currency at the rate (whether official or otherwise) which the Manager deems appropriate in the circumstances;
- (j) exchange traded FDI will be valued at the settlement price as determined by the market where the instrument is traded. If such settlement price is not available, such value shall be calculated in accordance with (d) above, i.e. being the probable realisation value estimated with care and in good faith by the Manager or alternatively valued by a competent person appointed by the Manager and approved for the purpose by the Trustee, or alternatively to that, the security can be valued by any other means provided that the value is approved by the Trustee. Forward foreign exchange contracts shall be valued with reference to the prevailing market maker quotations, namely, the price at which a new forward contract of the same maturity could be undertaken, or, if unavailable, at the settlement price provided by the counterparty.
- (k) Notwithstanding the provisions of paragraphs (a) to (j) above:-
  - (i) The Directors or their delegate may, at its discretion in relation to any particular Fund which is a short-term money market fund, value any investment using the amortised cost method of valuation where such collective investment schemes comply with the Central Bank's Requirements for short-term money market funds and where a review of the amortised cost valuation vis-à-vis market valuation will be carried out in accordance with the Central Bank Requirements.
  - (ii) Where it is not the intention or objective of the Directors to apply amortised cost valuation to the portfolio of the Fund as a whole, a money market instrument within such a portfolio shall only be valued on an amortised basis if the money market instrument has a residual maturity of less than 3 months and does not have any specific sensitivity to market parameters, including credit risk.
- (l) Notwithstanding the generality of the foregoing, the Directors may with the approval of the Trustee adjust the value of any investment if they consider that such adjustment is required to reflect the fair value in the context of currency, marketability, dealing costs and/or such other considerations which are deemed relevant. The rationale for adjusting the value must be clearly documented.
- (m) If the Directors deem it necessary, a specific investment may be valued under an alternative method of valuation approved by the Trustee and the rationale/methodologies used must be clearly documented.

3 Foreign exchange rates used to value the assets of the relevant Fund shall be rates taken at 4.00 p.m. London time on the relevant Dealing Day.

## **APPENDIX C: PORTFOLIO TRANSACTIONS, MANAGER'S UNIT DEALING AND MANAGER'S REMUNERATION POLICY**

The Manager, the Trustee, the Adviser and any Connected Person of any of them may, but are not obligated to purchase, sell, or deal in securities and other investments from, to, or with the Unit Trust provided such transactions are carried out and effected on normal commercial terms negotiated at arm's length.

In connection with the selection of dealers and counterparties, the Adviser primarily seeks to obtain the best overall terms. In pursuing this objective, the Adviser considers all matters it deems relevant, including the breadth of the market in the security, the price of the security, the financial condition and executing capability of the broker or dealer and the reasonableness of the compensation, if any, received by the broker, dealer or underwriter (for the specific transaction or on a continuing basis.) Such transactions may not always result in the best net price available to the Manager in the securities market.

In effecting portfolio transactions, the Adviser will use its best efforts to select the dealer or counterparty most capable of providing the services necessary to obtain the best available terms. The full range and quality of services available will be considered in making these determinations. In those instances in which it is reasonably determined that more than one dealer or counterparty can offer the services needed to obtain the best available terms, consideration may be given to those dealers or counterparties that supply investment research to the Adviser. The Adviser may deem certain of these services useful in the performance of its obligations, but may be unable and will not attempt to determine the amount by which such services may reduce the expenses of the Funds. Not all of these services may be useful to the Funds.

The personnel of the Adviser who will be making the investment decisions on behalf of the Funds may manage money for other customers, employing investment strategies which may or may not be similar to those to be employed on behalf of the Funds.

The Adviser may, but shall not be required to, aggregate orders for the Funds with those of other customers and allocate an average purchase or sale price thereto. Different customers may have different tax, economic and other considerations which are applicable in determining whether a particular transaction is in their best interests. Accordingly, a decision by the Adviser to engage in a transaction on behalf of the Funds does not mean that a similar decision would be made by it on behalf of another customer.

### **Dealing Commission Arrangements**

The Manager, Adviser, the Trustee and any of their Connected Persons may effect transactions by or through the agency of another person with whom the Manager, the Adviser, the Trustee or any of their Connected Persons have an arrangement under which that party will from time to time provide to or procure for the Manager, the Adviser and any of their Connected Persons goods, services or other benefits, such as research and advisory services, computer hardware associated with specialised software or research services and performance measures etc. The benefits provided under such arrangements must be those which assist in the provision of investment services to the Unit Trust and the nature of these benefits is such that their provision can reasonably be expected to benefit a Fund as a whole and may contribute to an improvement in a Fund's performance and that of the Manager, the Adviser or any of their Connected Persons in providing services to a Fund but no direct payment is made for them but instead are provided as a result of trades placed by the Manager, the Adviser and any of their Connected Persons with that party. For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payments. In any event, the execution of transactions will be on best execution standards and brokerage rates will not be in excess of customary institutional full-service brokerage rates. Details of any such dealing commission arrangements will be disclosed in the periodic reports of the Funds.

To the extent services and other benefits are provided to any entity within the European Union as a result of trades placed by it, the arrangements will be consistent with the rules promulgated under MiFID II and MiFIR regarding the use of dealing commission.

## **Rebates**

The Manager and any of its Connected Persons shall not retain the benefit of any cash commission or rebate (being cash commission repayment made by a broker or dealer to the Manager and/or any of its Connected Persons) paid or payable by any such broker or dealer in respect of any business placed with such broker or dealer by the Manager or any of its Connected Persons for or on behalf of any Fund. Any such cash commission rebate received from any such broker or dealer shall be held for the account of the relevant Fund.

## **Remuneration Policy**

The Manager has a remuneration policy in place to ensure compliance with UCITS V. This remuneration policy imposes remuneration rules on staff and senior management within the Manager whose activities have a material impact on the risk profile of the Funds. The Manager will ensure that its remuneration policies and practices are consistent with sound and effective risk management, will not encourage risk-taking which is inconsistent with the risk profile of the Funds and the Trust Deed, and will be consistent with UCITS V. The Manager will ensure that the remuneration policy is at all times consistent with the business strategy, objectives, values and interests of the Unit Trust, the Funds and Holders, and includes measures to ensure that all relevant conflicts of interest may be managed appropriately at all times. Further details with regard to the remuneration policy are available at the following website: [www.principalglobal.com](http://www.principalglobal.com). A copy of the remuneration policy may be obtained free of charge on request from the Manager.

## **Connected Persons**

Connected Persons in relation to a company means:

- (a) any person or company beneficially owning, directly or indirectly, 20% or more of the ordinary share capital of that company or able to exercise, directly or indirectly, 20% or more of the total votes of that company; or
- (b) any person or company controlled by a person who or which meets one or both of the descriptions given in (a); or
- (c) any member of the group of which that company forms part; or
- (d) any director or officer of that company or any of its connected persons as defined in (a), (b) or (c).

## **Transactions with Connected Persons**

The Adviser may, but will be under no obligation to, make purchases, as agent on behalf of the Unit Trust, from Connected Persons of it. Any such transactions with a Connected Person will be effected in compliance with applicable law and at a price that reflects such person's normal mark-up or commission, which will be no less favourable to the Funds than the prices paid by other customers of such person.

The Adviser also may, but will be under no obligation to, effect hedging and other risk-management contracts on behalf of the Unit Trust with the Trustee or Connected Persons of the Trustee. Any such contracts will be consistent with the Trustee's or the relevant Connected Person's established investment policies and guidelines and on terms no less advantageous to the relevant Fund than those obtainable on normal commercial terms negotiated in an arm's length transaction with an unconnected third party.

In addition, any cash of the Unit Trust may be deposited, subject to the provisions of the Central Bank Acts 1942 to 2015, with the Trustee or any Connected Person thereof or invested in certificates of deposit or banking instruments issued by the Trustee or any Connected Person thereof. Banking and similar transactions may also be undertaken with or through the Trustee or any Connected Person thereof.

There is no prohibition on transactions with the Unit Trust and the Manager, the Trustee, the Administrator, the Adviser, their delegates or sub-delegates and any associated or group company of any of them and none of them shall have any obligation to account to the Holders for any benefits so arising and any such benefits may be retained by the relevant party PROVIDED THAT any such transaction is made on terms no less favourable to the Unit Trust than could reasonably have been obtained by the Unit Trust if the transaction had been effected on normal commercial terms negotiated at arm's length and, in the case of a sale or purchase of investments, is in the best interests of Holders and:

- (a) a certificate has been obtained by the Manager, from a person approved by the Trustee as being independent and competent to give such certificate, to the effect that the terms of the transaction are no less favourable to the Unit Trust than could reasonably have been obtained by the Unit Trust if the transaction had been effected on normal commercial terms negotiated at arm's length; or
- (b) such transaction has been executed on an organised investment exchange on the best terms reasonably obtainable; or
- (c) where (a) and (b) are not practical such transaction has been executed on the terms which the Trustee (or in the case of any such transaction entered into by the Trustee, the Manager) is satisfied confirm with the principle that such transaction be carried out as if effected on normal commercial terms negotiated at arm's length

PROVIDED FURTHER that where the Manager, the Trustee, the Adviser, the Administrator, their delegates or sub-delegates and any associated or group company of any of them acts as agent for the Unit Trust in respect of any such sale or purchase it shall only be entitled to receive from the Unit Trust such compensation or other benefit as it would be usual to receive for such transaction had it been carried out on normal commercial terms negotiated at arm's length.

The Trustee (or in the case of a transaction involving the Trustee, the Directors) shall document how it complied with paragraphs (a), (b) and (c) above and where transactions are conducted in accordance with paragraph (c), the Trustee (or in the case of a transaction involving the Trustee, the Directors), must document the rationale for being satisfied that the transaction conformed to the principles outlined above.

Potential conflicts of interest may arise from time to time from the provision by the Trustee and/or its affiliates of other services to the Unit Trust and/or other parties. For example, the Trustee and/or its affiliates may act as the depositary, trustee, custodian and/or administrator of other funds. It is therefore possible that the Trustee (or any of its affiliates) may in the course of its business have conflicts or potential conflicts of interest with those of the Unit Trust and/or other funds for which the Trustee (or any of its affiliates) act.

Where a conflict or potential conflict of interest arises, the Trustee will have regard to its obligations to the Unit Trust and will treat the Unit Trust and the other funds for which it acts fairly and such that, so far as is practicable, any transactions are effected on terms which are not materially less favourable to the Unit Trust than if the conflict or potential conflict had not existed. Such potential conflicts of interest are identified, managed and monitored in various other ways including, without limitation, the hierarchical and functional separation of the Trustee's functions from its other potentially conflicting tasks and by the Trustee adhering to its "Conflicts of Interest Policy" (a copy of which can be obtained on request from the head of compliance for the Trustee).

Subject to compliance with any relevant law or regulation the Manager is entitled, but is under no obligation, to deal as principal in Units of the Unit Trust. Requests to subscribe or redeem Units may be executed as sales or, as the case may be, purchases by the Manager provided that the prices quoted by the Manager are not less favourable to the investor or redeeming Holder than would otherwise be the case.

## **APPENDIX D: GENERAL INFORMATION ON THE UNIT TRUST**

### **Classes of Units within a Fund**

A Fund may be maintained for more than one class of Units and additional classes of Units may be created relating to a previously established Fund. Unitholders and potential investors should refer to the most recent Supplement and/or class Supplement for details of the existing classes which will also be included in the Unit Trust's semi-annual and annual reports. The Manager and the Trustee may charge their services at different rates for different classes of Units within a Fund. The Manager may issue Accumulation Units, Income Units or Income Plus Units and classes may be hedged or unhedged. The details applicable to each class will be pre-determined and as described in the relevant Supplement.

### **Segregation of Assets**

The assets of each Fund shall belong exclusively to that Fund, shall be segregated from the assets of each other Fund, shall not be used to discharge directly or indirectly the liabilities of or claims against any other Fund and shall not be available for any such purpose.

### **Valuation of a Fund**

Each Fund will be valued on each Dealing Day at the Valuation Point (being such time as is determined by the Manager and notified to the Trustee and as set out in the relevant Supplement) and Units may normally be purchased or realised by application to the Administrator or the Hong Kong Representative on a Dealing Day.

### **Reports and Accounts**

The Unit Trust's year end is 30 September in each year. Audited accounts and a report in relation to the Unit Trust will be made available within four months after the conclusion of each annual accounting period. The Manager will also make available unaudited semi-annual reports within two months after the end of the six-month period ending 31st March for the Unit Trust in each year. The audited accounts and report and unaudited semi-annual reports can be downloaded from the website [www.principalglobal.com](http://www.principalglobal.com) or may be obtained, free of charge, on request from the Manager, the distributors or the representatives of the Unit Trust. Such accounts and reports will contain a statement of the value of the net assets of each Fund and of the investments comprised therein as at the year end or the end of such six-month period. The annual report, in English, will be sent to the Companies Announcements Office of Euronext Dublin within six months of the end of the relevant accounting period.

Contracts notes will only be expressed in the Base Currency. The Manager may provide additional reporting or accounting information in currencies other than the Base Currency for Units in a Fund from time to time to Institutional Holders who subscribed for Units in a Fund in a currency other than the Base Currency and who request such information.

Any additional reporting information provided in a non-Base Currency will be indicative only, and will be prepared by reference to an exchange rate determined by the Manager and the Net Asset Value per Unit of the Fund that applies at the reporting date and this will be noted on the information itself. The exchange rate will not necessarily represent an exchange rate that an applicant or an investor has received, or could be expected to receive.

Publication of indicative prices or values in any particular currency does not mean that the Manager will accept applications for the issue or redemption of Units in that currency (refer to the Subscription for Units and Redemption of Units sections above).

### **Publication of Prices**

The Net Asset Value per Unit will be published daily. Such prices may be obtained from the Manager on request and further information including details of any other relevant publication will be available at the following website: [www.principalglobal.com](http://www.principalglobal.com). They will usually be the prices applicable to the previous day's trades and are therefore only indicative. The Manager accepts no responsibility for prices being incorrectly printed.

From time to time the Manager may also decide to publish, together with the Net Asset Values of Units, prices in currencies other than the Base Currency for Units in a Fund. However, such prices will be indicative only, being a function of an exchange rate determined by the Manager and the Net Asset Value

per Unit that applies at the relevant time. The exchange rate will not necessarily represent an exchange rate that an investor has received, or could be expected to receive.

Publication of indicative prices in any particular currency does not mean that the Manager will accept applications for the issue or redemption of Units in that currency (refer to Subscription for Units and Redemption of Units sections above).

Euronext Dublin will be notified of the Net Asset Value of the listed Unit Classes of the Fund immediately upon calculation.

### **Jurisdiction**

The Unit Trust is governed by the laws of Ireland and the Manager and Trustee submit to the jurisdiction of the Courts of Ireland.

### **Trust Deed**

Copies of the Trust Deed (and the supplements thereto) may be obtained from the Manager or the Trustee or may be inspected during normal working hours at the offices of the Manager or the Trustee, free of charge. Subject to the prior approval of the Central Bank, the Trustee and the Manager may modify or add to the provisions of the Trust Deed if the Trustee is satisfied that the modification or addition either; (i) does not materially prejudice the interests of the Holders, does not operate to release to any material extent the Trustee or the Manager or any other person from any responsibility to the Holders and will not increase the costs and charges payable out of the Unit Trust; or (ii) is necessary for compliance with any fiscal, statutory or official requirements, or (iii) is made to correct a manifest error, or (iv) is made to amend the definition of Market, or (v) is made to amend the definition of Specific Investment.

The Trustee shall act as depositary of each Fund's assets and shall be responsible for the oversight of the Unit Trust to the extent required by and in accordance with applicable law, rules and regulations. The Trustee shall exercise the supervisory duties in accordance with applicable law, rules and regulations as well as the Trust Deed.

The Trustee shall perform its obligations with due skill, care and diligence as determined in accordance with the standards and practices of a professional depositary for hire in the markets or jurisdictions in which the Trustee performs services under the Trust Deed.

The Trustee shall be liable to the Manager, or to the Holders, for all losses suffered by them as a result of the Trustee's negligent or intentional failure to properly fulfil its obligations as set out in the Trust Deed and UCITS V. The Trustee shall be liable to the Manager and to the Holders, for the loss by the Trustee or a duly appointed third party of any financial instruments held in custody (determined in accordance with UCITS V) and shall be responsible for the return of financial instruments or corresponding amount to the Fund of the Unit Trust without undue delay. The Trust Deed shall contain indemnities in favour of the Trustee for certain losses incurred but excluding circumstances where the Trustee is liable for the losses incurred.

The Trust Deed shall continue in force unless and until terminated by either party giving not less than six months' notice in writing to the other party, although termination may be immediate in certain circumstances, such as the insolvency of the Trustee.

If a decision is made to terminate a Fund in accordance with the provisions of the Trust Deed, the Manager shall give notice thereof to the Holders in the relevant Fund and by such notice fix the date at which such termination is to take effect, which date shall be for such period after the service of such notice as the Manager shall in its sole and absolute discretion determine,

Upon an (envisaged) removal or resignation of the Trustee, the Manager shall with due observance of the applicable requirements of the Central Bank, appoint a successor Trustee. The Trustee may not be replaced without the approval of the Central Bank.

The Trust Deed shall be governed by the laws of Ireland and the courts of Ireland shall have non-exclusive jurisdiction to hear any disputes or claims arising out of or in connection with the Trust Deed.

### **Meetings of Holders**

The Trust Deed contains detailed provisions for meetings of Holders. Meetings of Holders of the Unit Trust may be convened by the Trustee, the Manager or the Holders of at least 10% in value of the Units in issue on not less than twenty-one days' notice. Notices of meetings will be posted to Holders. Holders may

appoint proxies, who need not themselves be Holders. The quorum for a meeting to pass an Extraordinary Resolution will be Holders present in person or by proxy and holding or representing not less than 10% of the Units for the time being in issue or, for an adjourned meeting, Holders present in person or by proxy whatever their number or the number of Units held by them.

On a show of hands every Holder who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or one of its officers as its proxy shall have one vote. On a poll every Holder present in person or by representative or proxy shall have one vote for every Income Unit or Income Plus Unit for which they are registered as the Holder and such number of votes (including fractions) for every Accumulation Unit for which they are registered as the Holder as reflects the relative value of an Accumulation Unit to an Income Unit. Such voting rights may be amended in the same manner as any other provision of the Trust Deed.

An Extraordinary Resolution is a resolution proposed as such at a meeting of Holders at which a quorum is present and passed by a majority of 75% of the total number of votes cast.

The Trust Deed provides that a resolution which in the opinion of the Trustee affects one class or sub-class only of Units will be duly passed if passed at a separate meeting of the Holders of that class or sub-class of Units. If, in the opinion of the Trustee, the resolution affects more than one class or sub-class of Units but does not give rise to a conflict of interest between the Holders of the Units of the relevant classes or sub-classes, the resolution will be duly passed at a single meeting of the holders of the Units of those classes or sub-classes. If the resolution affects, in the opinion of the Trustee, more than one class or sub-class of Units and gives or may give rise to a conflict of interests between the holders of Units of the respective classes or sub-classes the resolution will only be duly passed if in lieu of being passed at a single meeting of the holders of Units of those classes or sub-classes, it is passed at separate meetings of the holders of Units of those classes or sub-classes.

#### **Duration of the Unit Trust**

The Unit Trust will continue indefinitely until terminated in accordance with the Trust Deed either (a) by the Manager on the date one year following the date of the Trust Deed or on any date thereafter if the value of net assets of the Unit Trust amounts, at such date, to less than US \$20,000,000 or its equivalent or (b) by either the Manager or the Trustee at any time in certain circumstances (e.g. if any law is passed which renders it illegal or, in the opinion of the Manager or the Trustee, impracticable or inadvisable to continue the Trust), or (c) by Extraordinary Resolution of a meeting of Holders passed at any time, or (d) by either the Trustee or the Manager giving at least six months' notice to the other.

The Manager has the power to terminate any particular Fund on the date one year following the date of the Trust Deed or at any date thereafter if the Net Asset Value of the Fund amounts to less than US \$10,000,000 or its equivalent.

The Trustee has power at its absolute discretion to terminate the Unit Trust or any particular Fund or any class of Units within a Fund:

- (a) if the Manager shall go into liquidation (save voluntary liquidation) or a receiver is appointed over the assets of the Manager and is not discharged within 60 days; or
- (b) if, in the opinion of the Trustee, the Manager is incapable of performing its duties satisfactorily or shall bring the Unit Trust or any Fund or any class of Units into disrepute; or
- (c) if the Unit Trust or any Fund or any class of Units shall cease to be authorised or otherwise officially approved pursuant to the Regulations; or
- (d) if within such time as the Trustee considers a reasonable time after the removal of the Manager pursuant to the Trust Deed the Trustee is unable to find a corporation acceptable to the Trustee and the Central Bank to act as the new manager of the Unit Trust.

The Trust Deed provides that upon the Unit Trust or any Fund therein or class of Units within a Fund being terminated the Trustee shall:

- (a) sell all investments held for the Unit Trust or the relevant Fund or all or part of the investments held for the relevant Fund which proportionately relate to the relevant class of

Units and in the latter case the Trustee shall have regard to the interests of continuing Holders; and

- (b) distribute all net cash proceeds derived from the redemption of the assets of the Unit Trust or the relevant Fund or of the part of the relevant Fund to Holders of the relevant classes or class in proportion to their respective interests.

The Trustee shall not be bound (except in the case of final distribution) to distribute any monies for the time being in its hands the amount of which is insufficient to pay the equivalent of one cent in respect of each Unit. In addition the Trustee shall be entitled to retain out of any monies in its hands as part of the property of the Unit Trust or of the relevant Fund, full provision for all costs, charges, expenses, claims and demands incurred or made in connection with or arising out of the termination of the Trust or the relevant Fund or the relevant class of Units. The costs associated with the termination of any Fund are borne by that Fund prior to the proceeds of the Fund being distributed to Holders in that Fund.

Any unclaimed proceeds or other cash held by the Trustee at the end of the expiration of twelve months from the date on which the same were payable will be paid into Court subject to the right of the Trustee to deduct therefrom any expenses that the Trustee may incur in making such payments.

### **Litigation**

The Unit Trust is not involved in any litigation nor are the directors of the Manager aware of any pending or threatened litigation.

### **Documents available for inspection**

Copies of the Trust Deed, Prospectus, Supplements, key investor information documents and, after publication thereof, the periodic reports and accounts may be obtained free of charge on request from the Manager and the Hong Kong Representative. They are also available on [www.principalglobal.com](http://www.principalglobal.com).

The following documents may also be inspected at the registered office of the Manager during usual business hours on weekdays, except public holidays:

- (a) A list of all past and present directorships and partnerships held by each Director over the last five years.
- (b) The Material Contracts.
- (c) Trust Deed.
- (d) The Regulations
- (e) The periodic reports and accounts.

To the extent not captured in this Prospectus or in the event such details have changed and have not been reflected in a revised version of this Prospectus, up-to-date information will be provided to Unitholders on request, free of charge regarding:

- the identity of the Trustee and a description of its duties and of conflicts of interest that may arise; and
- a description of any safe-keeping functions delegated by the Trustee, a list of delegates and sub-delegates and any conflicts of interest that may arise from such delegation.

### **Material Contracts**

The following contracts have been entered into and are or may be material:

- (a) the Investment Advisers Agreement (as amended and novated) dated 21 October 2019 made between the Manager and Principal Global Investors, LLC pursuant to which Principal Global Investors, LLC agreed to provide investment advisory services to the Manager in respect of each Fund of the Unit Trust. This agreement may be terminated by either party on giving 6 months' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.



- (b) Administration Agreement dated 31 January 2011 pursuant to which the Manager has appointed the Administrator to carry out the day to day administration of each of the Funds. This agreement may be terminated by either party on giving 90 days' written notice to the other although, in certain circumstances as set out in the Administration Agreement, the agreement may be terminated forthwith by notice in writing by either party to the other.

Please refer to each Supplement for details of relevant material contracts (if any) in respect of a Fund.

### **Unitholder Communications**

The Directors, the Manager, the Trustee and the Administrator will not be liable for any interception of Account Communications. "**Account Communications**" means all current and future account statements; Unit Trust documents (including all supplements and amendments thereto); notices (including privacy notices); letters to Holders; annual audited financial statements; regulatory communications and other information, documents, data and records regarding investments in the Unit Trust.

The Administrator and its respective directors, officers, employees and agents shall be fully indemnified and shall not be liable to any Holder in the Unit Trust for any loss, damage, expense (including without limitation, legal counsel and professional fees and other costs and expenses incurred in connection with the defence of any claim, action or proceedings) occasioned by act or omission of the Administrator and/or its respective directors, officers and employees in connection with the electronic delivery of Account Communications other than as a result of the negligence, wilful default or fraud of the Administrator in the performance of its duties as Administrator of the Unit Trust.

The Administrator and its respective directors, officers, employees and agents shall be fully indemnified and shall not be liable to any Holder in the Unit Trust for any loss, damage, expense (including without limitation, legal counsel and professional fees and other costs and expenses incurred in connection with the defence of any claim, action or proceedings) occasioned by act or omission of the Administrator and/or its respective directors, officers and employees in connection with any transactions sent and received by way of facsimile or other electronic medium other than as a result of the negligence, wilful default or fraud of the Administrator in the performance of its duties as Administrator of the Unit Trust.

## APPENDIX E: MARKETS

With the exception of permitted investments in unlisted securities and FDI, investments will be restricted to the following stock exchanges and markets listed below in accordance with the Central Bank Requirements. For the purposes of this Appendix, reference to "unlisted securities" may include securities that are listed on a market or exchange where such exchange is not set out in the below list in accordance with Regulation 68(1)(c) and 68(2)(a) of the Regulations. The Central Bank does not issue a list of approved stock exchanges or markets.

### Stock Exchanges

- (i) Any stock exchange which is:
  - (A) located in any Member State; or
  - (B) located in any of the following countries:
    - Canada
    - Japan
    - New Zealand
    - Norway
    - Liechtenstein
    - Switzerland
    - United Kingdom
    - United States of America; or
- (ii) any stock exchange included in the following list:

Argentina	the stock exchanges in Buenos Aires;
Australia	the Australian stock exchange;
Bermuda	the Bermuda Stock Exchange Limited
Botswana	the stock exchange in Botswana
Brazil	the stock exchanges in Sao Paulo and Rio de Janeiro;
Cayman Islands	the Cayman Islands Stock Exchange;
Chile	the stock exchange in Santiago;
China	the stock exchanges in Shanghai and Shenzhen;
Colombia	the stock exchanges in Bogota, Medellin and Cali;
Croatia	the Zagreb Stock and Commodities Exchange;
Egypt	the stock exchanges in Cairo and Alexandria;
Ghana	the stock exchange in Ghana;
Hong Kong	the stock exchange in Hong Kong;
Hungary	the stock exchange in Budapest;
Iceland	the stock exchange in Reykjavik;
India	the stock exchanges in Bombay, Madras, Delhi, Ahmedabab, Bangalore, Cochin, Gauhati, Magadh, Pune, Hyderabad, Ludhiana, Uttar Pradesh and Calcutta;

Indonesia	the stock exchanges in Jakarta and Surabaya;
Israel	the stock exchange in Tel Aviv;
Jordan	the stock exchange in Amman;
South Korea	the stock exchange in Seoul;
Kuwait	the Kuwait Stock Exchange
Malaysia	the stock exchanges in Kuala Lumpur and Bumiputra;
Mexico	the stock exchange in Mexico City;
Morocco	the stock exchange in Casablanca;
Nigeria	the stock exchange in Lagos, Kaduna and Port Harcourt;
Pakistan	the stock exchanges in Karachi, Lahore and Islamabad;
Peru	the stock exchange in Lima;
Philippines	the stock exchanges in Manila and Makati;
Qatar	the Qatar Exchange
Russia	RTS Stock Exchange and MICEX;
Saudi Arabia	the Saudi Stock Exchange
Singapore	the stock exchange in Singapore;
South Africa	the stock exchange in Johannesburg;
Sri Lanka	the stock exchange in Colombo;
Taiwan	the stock exchange in Taipei;
Thailand	the stock exchange in Bangkok;
Tunisia	the Tunisia Stock Exchange;
Turkey	the stock exchange in Istanbul;
Uruguay	the stock exchange in Montevideo;
United Arab Emirates	the Abu Dhabi Securities Exchange, Dubai Financial Market and NASDAQ Dubai;
Venezuela	the stock exchanges in Caracas and Maracaibo;
Vietnam	the stock exchange in Ho Chi Minh; and
Zimbabwe	the Zimbabwe Stock Exchange.

(iii) Markets

The market organised by the International Capital Market Association;

The (i) market conducted by banks and other institutions regulated by the Prudential Regulation Authority (PRA); and (ii) market in non-investment products which is subject to the guidance contained in the "**Non-Investment Products Code**" drawn up by the participants in the London market, including the PRA and the Bank of England;

The market in U.S. government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York and the US Securities and Exchange Commission;

The over-the-counter market in the United States regulated by the Financial Industry Regulatory Authority Inc. ("**FINRA**"), also described as the over-the-

counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and by FINRA (and by banking institutions regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);

#### **NASDAQ**

The over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;

AIM – the Alternative Investment Market in the United Kingdom which is regulated and operated by the London Stock Exchange;

The French market for "**Titres de Creance Negotiable**" (over-the-counter market in negotiable debt instruments);

The over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada.

In relation to any exchange traded FDI contract, any stock exchange on which such contract may be acquired or sold and which is regulated, operates regularly, is recognised and open to the public and which is (a) located in any jurisdiction listed in (i) above, (b) listed in (ii) or (iii) above, or included in the following list:

Bourse de Montreal

The Channel Islands Stock Exchange;

The Chicago Board of Trade;

The Chicago Mercantile Exchange;

The Chicago Board Options Exchange;

EDX London;

New York Board of Trade;

New York Mercantile Exchange;

New Zealand Futures and Options Exchange;

Hong Kong Futures Exchange;

Osaka Securities Exchange;

Singapore Commodity Exchange;

Tokyo International Financial Futures Exchange.

## APPENDIX F: SUB DELEGATES OF THE TRUSTEE

Country/Market	Subcustodian	Address
<b>Argentina</b>	Citibank N.A., Argentina * * On March 27, 2015, the Comisión Nacional de Valores (CNV: National Securities Commission) has appointed the central securities depository Caja de Valores S.A. to replace the branch of Citibank N.A. Argentina for those activities performed within the capital markets and in its role as custodian.	Bartolome Mitre 502/30 (C1036AAJ) Buenos Aires, Argentina
<b>Australia</b>	The Hongkong and Shanghai Banking Corporation Limited	Level 5, 10 Smith Street, Parramatta NSW 2150, Australia
<b>Australia</b>	Citigroup Pty Limited	Level 16, 120 Collins Street, Level 16, 120 Collins Street, Australia
<b>Austria</b>	UniCredit Bank Austria AG	Rothschildplatz 1 1020 Vienna, Austria
<b>Bahrain</b>	HSBC Bank Middle East Limited	4th Floor, Building No 2505, Road No 2832, Al Seef 428, Bahrain
<b>Bangladesh</b>	The Hongkong and Shanghai Banking Corporation Limited	Management Office, Shanta Western Tower, Level 4, 186 Bir Uttam Mir Shawkat Ali Shorok, (Tejgaon Gulshan Link Road) Tejgaon Industrial Area, Dhaka 1208, Bangladesh
<b>Belgium</b>	The Bank of New York Mellon SA/NV	Rue Montoyer, 46 1000 Brussels Belgium
<b>Bermuda</b>	HSBC Bank Bermuda Limited	3F Harbour View Building 37 Front Street  Hamilton Bermuda HM11
<b>Botswana</b>	Stanbic Bank Botswana Limited	Plot 50672, Fairground Office Park Gaborone, Botswana
<b>Brazil</b>	Citibank N.A., Brazil	Citibank N.A. Avenida Paulista, 1111 – 12th floor Cerqueira Cesar – Sao Paulo, Brazil CEP: 01311-920
<b>Brazil</b>	Itau Unibanco S.A.	Praça Alfredo Egydio de Souza Aranha, 100, São Paulo, S.P. - Brazil 04344-902

Country/Market	Subcustodian	Address
<b>Bulgaria</b>	Citibank Europe plc, Bulgaria Branch	48 Sitnyakovo Blvd Serdika Offices, 10th floor Sofia 1505, Bulgaria
<b>Canada</b>	CIBC Mellon Trust Company (CIBC Mellon)	1 York Street, Suite 900 Toronto, Ontario, M5J 0B6 Canada
<b>Cayman Islands</b>	The Bank of New York Mellon	225 Liberty Street New York, NY 10286 United States
<b>Chile</b>	Banco de Chile	Estado 260 2nd Floor Santiago, Chile Postal code 8320204
<b>Chile</b>	Itaú Corpbanca S.A.	Avda. Presidente Riesco N° 5537 13th Floor Las Condes Santiago, Chile
<b>China</b>	HSBC Bank (China) Company Limited	33 Floor, HSBC Building, Shanghai ifc 8 Century Avenue, Pudong Shanghai, China (200120)
<b>Colombia</b>	Cititrust Colombia S.A. Sociedad Fiduciaria	Carrera 9A No 99-02 Piso 3 Bogota D.C., Colombia
<b>Costa Rica</b>	Banco Nacional de Costa Rica	1st and 3rd Avenue, 4th Street San José, Costa Rica
<b>Croatia</b>	Privredna banka Zagreb d.d.	Radnicka cesta 50 10 000 Zagreb Croatia
<b>Cyprus</b>	BNP Paribas Securities Services S.C.A., Athens	2 Lampsakou street 115 28 Athens Greece
<b>Czech Republic</b>	Citibank Europe plc, organizacni slozka	Bucharova 2641/14 158 02 Prague 5, Czech Republic
<b>Denmark</b>	Skandinaviska Enskilda Banken AB (Publ)	Kungsträdgårdsgatan 8 106 40 Stockholm - Sweden
<b>Egypt</b>	HSBC Bank Egypt S.A.E.	306 Corniche El Nil, Maadi, Cairo, Egypt
<b>Estonia</b>	SEB Pank AS	Tornimäe Str. 2 15010 Tallinn Estonia
<b>Finland</b>	Finland Skandinaviska Enskilda Banken AB (Publ)	Kungsträdgårdsgatan 8 106 40 Stockholm - Sweden
<b>France</b>	The Bank of New York Mellon SA/NV	The Bank of New York Mellon SA/NV Rue Montoyer, 46 1000 Brussels Belgium

Country/Market	Subcustodian	Address
<b>France</b>	Citibank International Limited (cash deposited with Citibank NA)	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB United Kingdom
<b>Germany</b>	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	Friedrich-Ebert-Anlage, 49 60327 Frankfurt am Main Germany
<b>Ghana</b>	Stanbic Bank Ghana Limited	Stanbic Heights, Plot No. 215 South Liberation RD, Airport City, Cantonments, Accra, Ghana
<b>Greece</b>	BNP Paribas Securities Services S.C.A., Athens	2 Lampsakou street 115 28 Athens Greece
<b>Hong Kong</b>	The Hongkong and Shanghai Banking Corporation Limited	1, Queen's Road, Central Hong Kong
<b>Hong Kong</b>	Deutsche Bank AG	52/F International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong
<b>Hungary</b>	Citibank Europe plc. Hungarian Branch Office	Szabadság tér 7 1051 Budapest Hungary
<b>Iceland</b>	Landsbankinn hf.	Hafnarstræti 10-12 155 Reykjavik Iceland
<b>India</b>	Deutsche Bank AG	4th Floor, Block I, Nirlon Knowledge Park, W.E. Highway Mumbai - 400 063, India
<b>India</b>	HSBC Ltd	11F, Building 3, NESCO - IT Park, NESCO Complex, Western Express Highway, Goregaon (East), Mumbai 400063, India
<b>Indonesia</b>	Deutsche Bank AG	7th Floor, Deutsche Bank Building Jl. Imam Bonjol No.80, Jakarta – 10310, Indonesia
<b>Ireland</b>	The Bank of New York Mellon	225 Liberty Street New York, NY 10286, United States
<b>Israel</b>	Bank Hapoalim B.M.	50 Rothschild Blvd Tel Aviv 66883 Israel
<b>Italy</b>	The Bank of New York Mellon SA/NV	Rue Montoyer, 46 1000 Brussels Belgium
<b>Japan</b>	Mizuho Bank, Ltd.	Shinagawa Intercity Tower A, 2-15-1, Konan, Minato-ku, Tokyo 108-6009, Japan
<b>Japan</b>	MUFG Bank, Ltd.	1-3-2, Nihombashi Hongoku-cho, Chuo-ku, Tokyo 103-0021, Japan
<b>Jordan</b>	Standard Chartered Bank	1 Basinghall Avenue London, EC2V5DD, England

Country/Market	Subcustodian	Address
<b>Kazakhstan</b>	Joint-Stock Company Citibank Kazakhstan	Park Palace Building A, 41 Kazybek Bi Street, Almaty, A25T0A1 Kazakhstan
<b>Kenya</b>	Stanbic Bank Kenya Limited	First Floor, Stanbic Bank Centre P.O. Box 72833 00200 Westlands Road, Chiromo, Nairobi, Kenya
<b>Kuwait</b>	HSBC Bank Middle East Limited, Kuwait	Sharq Area, Abdulaziz Al Sager Street, Al Hamra Tower, 37F  P.O. Box 1683, Safat 13017, Kuwait
<b>Latvia</b>	AS SEB banka	Meistaru iela 1 Valdlauci Kekavas pagasts, Kekavas novads LV-1076 Latvia
<b>Lithuania</b>	AB SEB bankas	12 Gedimino Av. LT-01103 Vilnius Lithuania
<b>Luxembourg</b>	Euroclear Bank	1 Boulevard du Roi Albert II B-1210 Brussels - Belgium
<b>Malaysia</b>	Deutsche Bank (Malaysia) Berhad	Level 20, Menara IMC No 8 Jalan Sultan Ismail 50250 Kuala Lumpur, Malaysia
<b>Malaysia</b>	HSBC Bank Malaysia Berhad	HSBC Bank Malaysia Berhad, 12th Floor, South Tower, 2 Leboh Ampang, 50100 Kuala Lumpur, Malaysia
<b>Malta</b>	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	Friedrich-Ebert-Anlage, 49 60327 Frankfurt am Main Germany
<b>Mauritius</b>	The Hongkong and Shanghai Banking Corporation Limited	6 <sup>th</sup> Floor, HSBC Centre, 18 Cybercity, Ebene, Mauritius
<b>Mexico</b>	Citibanamex	Isabel la Católica No.44 Colonia Centro México City C.P. 06000 Mexico
<b>Morocco</b>	Citibank Maghreb	Zenith Millenium, Immeuble 1 Sidi Maarouf, B.P. 40 20190 Casablanca Morocco



Country/Market	Subcustodian	Address
<b>Namibia</b>	Standard Bank Namibia Limited	2nd Floor, Standard Bank Centre, Town Square Corner of Post Street Mall and Werner List Street Windhoek, Namibia
<b>Netherlands</b>	The Bank of New York Mellon SA/NV	Rue Montoyer, 46 1000 Brussels Belgium
<b>New Zealand</b>	The Hongkong and Shanghai Banking Corporation Limited	Level 9, HSBC Building, 1 Queen Street, Auckland 1010, New Zealand
<b>Nigeria</b>	Stanbic IBTC Bank Plc	Walter Carrington Crescent, Victoria Island, Lagos, Nigeria
<b>Norway</b>	Skandinaviska Enskilda Banken AB (Publ)	Kungsträdgårdsgatan 8 106 40 Stockholm - Sweden
<b>Oman</b>	HSBC Bank Oman S.A.O.G.	2nd Floor, Head Office Building, P.O. Box 1727, Al Khuwair, Postal Code 111, Sultanate of Oman
<b>Pakistan</b>	Deutsche Bank AG	242-243, Avari Plaza, Fatima Jinnah Road Karachi – 75330, Pakistan
<b>Peru</b>	Citibank del Peru S.A.	Avenida Canaval y Moreyra, 480, 3rd floor Lima 27, Peru
<b>Philippines</b>	Deutsche Bank AG	23rd Floor, Tower One & Exchange Plaza, Ayala Triangle, Ayala Avenue, 1226 Makati City Philippines
<b>Poland</b>	Bank Polska Kasa Opieki S.A.	53/57 Grzybowska Street 00-950 Warszawa, Poland
<b>Portugal</b>	Citibank Europe Plc	North Wall Quay, 1, Dublin Ireland
<b>Qatar</b>	HSBC Bank Middle East Limited, Doha	2nd Floor, Ali Bin Ali Tower, Building no: 150, Al Matar Street (Airport Road) P.O. Box 57, Street no. 950, Umm Ghuwalina Area, Doha, Qatar
<b>Romania</b>	Citibank Europe plc, Romania Branch	145, Calea Victoriei 010072 Bucharest Romania
<b>Russia</b>	PJSC ROSBANK	Mashi Poryvaevoy, 34 107078 Moscow Russia
<b>Russia</b>	AO Citibank	8-10, building 1 Gasheka Street, Moscow 125047, Russia
<b>Saudi Arabia</b>	HSBC Saudi Arabia Limited	HSBC Building, 7267 Olaya Road, Al-Murooj Riyadh 12283-22555, Kingdom of Saudi Arabia

Country/Market	Subcustodian	Address
<b>Serbia</b>	UniCredit Bank Serbia JSC	Rajiceva Street 27-29, 11000 Belgrade, Serbia
<b>Singapore</b>	DBS Bank Ltd	12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982
<b>Slovak Republic</b>	Citibank Europe plc, pobočka zahraničnej banky	Dvorakovo nabrezie 8 811 02 Bratislava, Slovak Republic
<b>Slovenia</b>	UniCredit Banka Slovenia d.d.	Smartinska 140, 1000 - Ljubljana, Slovenia
<b>South Africa</b>	The Standard Bank of South Africa Limited	9th Floor 5 Simmonds Street Johannesburg 2001, South Africa
<b>South Korea</b>	The Hongkong and Shanghai Banking Corporation Limited	5th Floor, HSBC Building, 37, Chilpae-ro, Jung-Gu, Seoul, Korea, 04511
<b>South Korea</b>	Deutsche Bank AG	18th Floor, Young-Poong Building 41 Cheonggyecheon-ro, Jongro-ku, Seoul 03188, South Korea
<b>Spain</b>	Banco Bilbao Vizcaya Argentaria, S.A.	Plaza San Nicolás, 4 48005 Bilbao Spain
<b>Spain</b>	Santander Securities Services S.A.U.	Ciudad Grupo Santander. Avenida de Cantabria s/n, Boadilla del Monte 28660 – Madrid, Spain
<b>Sri Lanka</b>	The Hongkong and Shanghai Banking Corporation Limited	24 Sir Baron Jayathilake Mawatha Colombo 01, Sri Lanka
<b>Sweden</b>	Skandinaviska Enskilda Banken AB (Publ)	Kungsträdgårdsgatan 8 106 40 Stockholm - Sweden
<b>Switzerland</b>	Credit Suisse (Switzerland) Ltd.	Paradeplatz 8 8001 Zurich Switzerland
<b>Switzerland</b>	UBS Switzerland AG	Max-Högger-Strasse 80 8048 Zürich, Switzerland
<b>Taiwan</b>	HSBC Bank (Taiwan) Limited	11F, No. 369, Section 7, Zhongxiao East Road Nangang District, Taipei City 115 Taiwan (ROC)
<b>Taiwan</b>	Standard Chartered Bank (Taiwan) Ltd.	No 168, Tun Hwa North Road, Taipei 105, Taiwan
<b>Thailand</b>	The Hongkong and Shanghai Banking Corporation Limited	Level 5, HSBC Building, 968 Rama IV Road, Bangrak Bangkok 10500, Thailand
<b>Tunisia</b>	Banque Internationale Arabe de Tunisie	70-72, Avenue Habib Bourguiba 1080 Tunis Tunisia
<b>Turkey</b>	Deutsche Bank A.S.	Esentepe Mahallesi Büyükdere Caddesi Tekfen Tower No:209 K:17 Sisli TR-34394-Istanbul, Turkey

Country/Market	Subcustodian	Address
<b>Uganda</b>	Stanbic Bank Holdings Limited	Plot 17 Hannington Road Short Tower- Crested Towers P.O. Box 7131, Kampala, Uganda
<b>Ukraine</b>	JSC "Citibank"	16G Dilova Street 03150 Kiev Ukraine
<b>U.A.E.</b>	HSBC Bank Middle East Limited, Dubai	HSBC Tower, Downtown Dubai, Level 16, PO Box 66, Dubai, United Arab Emirates.
<b>U.K.</b>	Depository and Clearing Centre (DCC) Deutsche Bank AG, London Branch	Winchester House 1 Great Winchester Street London EC2N 2DB United Kingdom
<b>U.K.</b>	The Bank of New York Mellon	225 Liberty Street, New York, NY 10286, United States
<b>U.S.A.</b>	The Bank of New York Mellon	225 Liberty Street, New York, NY 10286, United States
<b>Uruguay</b>	Banco Itaú Uruguay S.A.	Dr. Luis Bonavita 1266 Toree IV, Piso 10 CP 11300 Montevideo, Uruguay
<b>Vietnam</b>	HSBC Bank (Vietnam) Ltd	The Metropolitan, 235 Dong Khoi Street District 1, Ho Chi Minh City, Vietnam
<b>Zambia</b>	Stanbic Bank Zambia Limited	Stanbic House, Plot 2375, Addis Ababa Drive P.O Box 31955 Lusaka, Zambia
<b>Zimbabwe</b>	Stanbic Bank Zimbabwe Limited	59 Samora Machel Avenue, Harare, Zimbabwe

## APPENDIX G: DEFINITIONS

For the purposes of this Prospectus the following expressions shall have the following meanings:

"A Class Holder"	means a Holder of A Class Units.
"A Class Units"	means the Units named A Class Units in a Fund.
"Accounting Period"	has the meaning attributed to it in the Trust Deed.
"Accumulation Units"	has the meaning attributed to it in the Trust Deed.
"Administration Agreement"	means the administration agreement dated 31 January 2011 between the Manager and the Administrator.
"Administrator"	means BNY Mellon Fund Services (Ireland) Designated Activity Company or any successor thereto duly appointed administrator in succession to the said BNY Mellon Fund Services (Ireland) Designated Activity Company in accordance with the requirements of the Central Bank;
"ADR"	means an American depository receipt.
"Adviser"	means Principal Global Investors, LLC. Where the context so permits, the term Adviser shall also mean any Sub-Adviser appointed by Principal Global Investors, LLC in respect of any Fund, particularly in the context of Appendix C, <b>PORTFOLIO TRANSACTIONS AND MANAGER'S UNIT DEALING.</b>
"AIF"	means an alternative investment fund as defined in regulation 5(1) of the European Union (Alternative Investment Fund Managers) Regulations 2013 (S.I. No. 257 of 2013) and/or any other collective investment undertaking meeting the criteria outlined in Regulation 68(e) of the Regulations including, where relevant and in the event of the United Kingdom becoming a third country, UCITS authorised by the Financial Conduct Authority in the United Kingdom in accordance with Directive 2009/65/EC of the European Parliament and of the Council, as amended, supplemented, consolidated or otherwise modified from time to time.
"Application Form"	means the form used to establish an account for purchases, redemptions and switches of Units issued in respect of the Unit Trust from time to time.
"B Class Holder"	means a Holder of B Class Units.
"B Class Units"	means the Units named B Class Units in a Fund.
"Benchmark Regulation"	means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.
"Base Currency"	means the US Dollar for each of the Funds unless otherwise stated in the relevant Supplement.
"Business Day"	means any day, other than a Saturday or Sunday, on which banks in Ireland are open for business.

<b>"Central Bank Requirements"</b>	means the Central Bank (Supervision and Enforcement) Act 2013 (section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 as may be amended, supplemented, consolidated, substituted in any form or otherwise from time to time, and any other statutory instrument, regulations, rules, conditions, notices, requirements or guidance of the Central Bank issued from time to time applicable to the Unit Trust, the Manager on behalf of the Unit Trust and/or the Trustee.
<b>"Central Bank"</b>	means the Central Bank of Ireland or any successor regulatory authority with responsibility for authorising and supervising the Unit Trust.
<b>"CIS"</b>	means an open-ended collective investment scheme within the meaning of Regulation 68(1)(e) of the Regulations and which is prohibited from investing more than 10% of its assets in other such collective investment schemes;
<b>"Connected Persons"</b>	has the meaning attributed to it in Appendix C, <b>PORTFOLIO TRANSACTIONS, MANAGER'S UNIT DEALING AND MANAGER'S REMUNERATION POLICY</b> .
<b>"Contingent Convertible Securities ("CoCos")"</b>	means a form of convertible debt security that are intended to automatically and permanently convert into equity securities of the issuing entity upon the occurrence of certain 'triggers' linked to regulatory capital thresholds or where the continued viability of the entity as a going-concern is in question. CoCos will have unique conversion features which are tailored to the issuing entity and its regulatory requirements.
<b>"CRS"</b>	means the Standard for Automatic Exchange of Financial Account Information approved on 15 July 2014 by the Council of the Organisation for Economic Cooperation and Development, also known as the Common Reporting Standard, and any bilateral or multilateral competent authority agreements, intergovernmental agreements and treaties, laws, regulations, official guidance or other instrument facilitating the implementation thereof and any law implementing the Common Reporting Standard.
<b>"D Class Holder"</b>	means a Holder of D Class Units.
<b>"D Class Units"</b>	means the Units named D Class Units in a Fund.
<b>"Data Protection Legislation"</b>	means the EU data protection regime introduced by the General Data Protection Regulation (Regulation 2016/679).
<b>"Dealing Day"</b>	means a Business Day and/or such other day or days as the Manager may with prior notification to the Holders determine provided that there shall be at least one per fortnight.
<b>"Dealing Deadline"</b>	in relation to Hong Kong, shall until further notice, be 5:00 p.m. Hong Kong time and in relation to Dublin shall, until further notice, be 10:00 a.m. Dublin time in each case on the relevant Dealing Day.
<b>"Directors"</b>	means the directors of the Manager or any duly authorised committee or delegate thereof, each a Director.
<b>"Distribution Date"</b>	means for any Fund a date as determined by the Manager on which income distributions for that Fund are to be made. Such date shall be

no later than 30th November in respect of annual distributions in each year.

<b>"EEA"</b>	means the European Economic Area.
<b>"EMIR"</b>	means Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories.
<b>"Euro", "cent" and "€"</b>	(where the context permits) refer to the lawful currency of the Republic of Ireland.
<b>"Euronext Dublin"</b>	means the Irish Stock Exchange plc trading as Euronext Dublin.
<b>"Extraordinary Resolution"</b>	has the meaning attributed to it in the Trust Deed.
<b>"F Class Holder"</b>	means a Holder of F Class Units.
<b>"F Class Units"</b>	means the Units named F Class Units in a Fund.
<b>"Facilities Agent"</b>	means any entity which maintains facilities for the Fund in the United Kingdom in order to satisfy the requirements of sections 9.4.2 to 9.4.6 of the United Kingdom Financial Services Authority's Collective Investment Schemes (COLL) Rules.
<b>"FATCA"</b>	<p>means:</p> <p>(a) Sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986 or any associated regulations or other official guidance;</p> <p>(b) any treaty, law, regulation of any other jurisdiction, or relating to an intergovernmental agreement between the U.S. and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or</p> <p>(c) any agreement pursuant to the implementation of any treaty, law or regulation in Ireland that give effect to the matters referred to in paragraphs (a) or (b) above.</p>
<b>"FDI"</b>	means a financial derivative instrument.
<b>"Foreign Person"</b>	means (i) a person who is neither resident nor ordinarily resident in Ireland for tax purposes who has provided the Manager with the appropriate declaration under Schedule 2B TCA and the Manager is not in possession of any information that would reasonably suggest that the declaration is incorrect or has at any time been incorrect, or (ii) the Manager is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to have been provided with such declaration is deemed to have been complied with in respect of that person or class of Holder to which that person belongs, and that approval has not been withdrawn and any conditions to which that approval is subject have been satisfied.
<b>"Fund"</b>	means any sub-fund of the Unit Trust established as a separate trust within the Unit Trust from time to time.
<b>"GDR"</b>	means a global depository receipt.
<b>"Global Exchange Market"</b>	means the exchange regulated market of the Euronext Dublin. The Global Exchange Market is a multilateral trading facility as defined in

Article 4(1) point 22 of Directive 2014/65/EU.

<b>"Group Companies"</b>	means 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 international accounting rules.
<b>"HK dollars"</b>	refers to the currency of Hong Kong.
<b>"Holder"</b>	means any holder of Units in the Unit Trust.
<b>"Hong Kong Business Day"</b>	means any day, other than a Saturday or Sunday, on which banks in Hong Kong are open for business.
<b>"Hong Kong Representative"</b>	means Principal Investment & Retirement Services Limited.
<b>"I Class Holder"</b>	means a Holder of I Class Units.
<b>"I Class Units"</b>	means the Units named I Units in a Fund.
<b>"Income Units"</b>	has the meaning attributed to it in the Trust Deed.
<b>"Income Plus Units"</b>	has the meaning attributed to it in the Trust Deed.
<b>"Investor Money Regulations"</b>	means the Central Bank (Supervision and Enforcement) Act 2013 (section 48(1)) Investor Money Regulations 2015 for Fund Service Providers, as may be amended from time to time.
<b>"Irish Taxable Person"</b>	means any person other than: <ul style="list-style-type: none"><li>(a) a Foreign Person;</li><li>(b) an intermediary, including a nominee, for a Foreign Person;</li><li>(c) a qualifying management company within the meaning of section 739B(1) TCA;</li><li>(d) an investment undertaking within the meaning of section 739B(1) of the TCA;</li><li>(e) an investment limited partnership within the meaning of section 739J TCA;</li><li>(f) an exempt approved scheme or a retirement annuity contract or trust scheme within the provisions of sections 774, 784 or 785 TCA;</li><li>(g) a company carrying on life business within the meaning of section 706 TCA;</li><li>(h) a special investment scheme within the meaning of section 737 TCA;</li><li>(i) a unit trust to which section 731(5)(a) TCA applies;</li><li>(j) a charity being a person referred to in section 739D(6)(F)(i) TCA;</li><li>(k) a person entitled to exemption from income tax and capital gains tax under section 784A(2) TCA , section 787I TCA or section 848B TCA and the units held are assets of an approved retirement fund, an approved minimum retirement fund, a special savings incentive account or a personal retirement savings account (as defined in section 787A TCA);</li></ul>

- (l) the Courts Service;
  - (m) a Credit Union within the meaning of section 2 of the Credit Union Act 1997;
  - (n) an Irish resident company within the charge to corporation tax under section 739G(2) TCA, but only where the fund is a money market fund;
  - (o) a company within the charge to corporation tax under section 110(2) TCA in respect of payments made to it by the Unit Trust;
  - (p) the National Treasury Management Agency or a fund investment vehicle within the meaning of section 739D(6)(kb) TCA;
  - (q) the National Asset Management Agency; and
  - (r) any other person as may be approved by the Directors from time to time provided the holding of Units by such person does not result in a potential liability to tax arising to the Unit Trust in respect of that Holder under Part 27 Chapter 1A TCA;
- in respect of each of which the appropriate declaration set out in Schedule 2B TCA or otherwise and such other information evidencing such status is in the possession of the Unit Trust on the appropriate date.

**"Japanese Yen", "Yen",  
"JPY" and "¥"**

means the lawful currency of Japan or any successor currency.

**"KIID"**

means key investor information document.

**"Manager"**

means Principal Global Investors (Ireland) Limited.

**"Market"**

means any of the markets and exchanges listed in Appendix E.

**"Member State"**

means any member state of the European Union.

**"MiFID II"**

means the Markets in Financial Instruments Directive (recast) (Directive 2014/65/EU).

**"money market instruments"**

shall have the meaning prescribed to it in the Regulations.

**"N Class Holder"**

means a Holder of N Class Units.

**"N Class Units"**

means the Units named N Class Units in a Fund.

**"Net Asset Value per Unit"**

for any Dealing Day is calculated by dividing the assets of the relevant Fund, less its liabilities, by the total number of Units of the relevant class in issue at the Valuation Point on that Dealing Day (adjusted to reflect the proportion of the Net Asset Value of the relevant Fund attributable to Units of the relevant class in that Fund.)

**"Net Asset Value"**

of a Fund for any Dealing Day means the value of the assets of the relevant Fund, less its liabilities.

**"OECD"**

means the Organisation for Economic Co-operation and Development.

**"P Class Holder"**

means a Holder of P Class Units



<b>"P Class Units"</b>	means the Units named P Class Units in a Fund
<b>"Prospectus"</b>	means this document and, where the context so requires, means this document together with the Supplements thereto in relation to each of the Funds.
<b>"PRC" or "China"</b>	means the People's Republic of China (excluding for the purposes of this Prospectus the Hong Kong and Macau Special Administration Regions and Taiwan) and the term "Chinese" shall be construed accordingly.
<b>"R Class Holder"</b>	means a Holder of R Class Units.
<b>"R Class Units"</b>	means the Units named R Class Units in a Fund.
<b>"Regulations"</b>	means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352) as may be amended, supplemented or consolidated from time to time, and includes any conditions that may from time to time be imposed thereunder by the Central Bank affecting the Unit Trust.
<b>"Related Companies"</b>	has the meaning assigned thereto in section 2(10) of the Companies Act 2014. In general this states that companies are related where 50% of the paid up share capital of, or 50% of the voting rights in, one company are owned directly or indirectly by another company.
<b>"Relevant Institution"</b>	means a credit institution as specified in Regulation 7 of the Central Bank Requirements, being a credit institution authorised in the European Economic Area (EEA), a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988, or a credit institution in a third country deemed equivalent pursuant to Article 107(4) of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.
<b>"Revenue Commissioners"</b>	means the Irish Revenue Commissioners.
<b>"Securities Financing Transactions"</b>	means repurchase agreements, reverse repurchase agreements, securities lending agreements and any other transactions within the scope of SFTR that a Fund is permitted to engage in.
<b>"SFT Regulations or SFTR"</b>	means Regulation 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time.
<b>"Sterling", "pence" and the sign "£"</b>	refer to the currency of the United Kingdom of Great Britain and Northern Ireland.
<b>"Sub-Adviser"</b>	means any person for the time being duly appointed by the Adviser as sub-investment adviser of a Fund.
<b>"Subscriptions/Redemptions Account"</b>	means the account in the name of the Unit Trust through which subscription monies and redemption proceeds and dividend income (if any) for each Fund are channelled, the details of which are

specified in the Application Form.

<b>"Supplement"</b>	means any supplement to this Prospectus in relation to a Fund.
<b>"TCA"</b>	means the Taxes Consolidation Act 1997, as amended from time to time.
<b>"transferable securities"</b>	shall have the meaning prescribed to it in the Regulations.
<b>"Trust Deed"</b>	means a trust deed dated 9 October 1992, (made between the then manager and the then trustee), as amended and restated on 30 March 2016 and subsequently amended and restated on 22 November 2019, between the Manager and the Trustee for the Unit Trust.
<b>"Trustee"</b>	means the Bank of New York Mellon SA/NV, Dublin Branch or any successor thereto duly appointed with the prior approval of the Central Bank as the trustee and depositary of the Unit Trust.
<b>"UCITS Directive"</b>	means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 and as may be further amended from time to time and including any supplementing European Commission delegated regulations in force from time to time.
<b>"UCITS V"</b>	means Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as regards depositary functions, remuneration and sanctions as amended from time to time and including any supplementing European Commission delegated regulations in force from time to time.
<b>"UCITS"</b>	means an undertaking for collective investment in transferable securities pursuant to the UCITS Directive.
<b>"Unit"</b>	means an undivided share in each class (whether Accumulation Unit or Income Unit) of units in a Fund and includes any fraction of a unit in a Fund.
<b>"Unit Trust"</b>	means Principal Global Investors Funds.
<b>"United States Person"</b>	means any citizen or resident of the United States, any 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.
<b>"United States" or "US"</b>	means the United States of America, its territories, possessions and all area subject to its jurisdiction including the Commonwealth of Puerto Rico.
<b>"US dollar", "cent" and "US\$"</b>	(where the context permits) refer to the currency of the United States of America.

<b>"Valuation Point"</b>	means in respect of each Fund such time or times as the Manager may determine by reference to which the Net Asset Value of the Fund is calculated for a Dealing Day and shall, until further notice to the Trustee, be such time as set out in the relevant Supplement.
<b>"Z Class Holder"</b>	means a Holder of Z Class Units.
<b>"Z Class Units"</b>	means the Units named Z Class Units in a Fund.

## **Enquiries**

Requests for subscription, conversion or redemption of Units, dealing and administration enquiries:

- (a) All investors (except Hong Kong-based investors):  
The Administrator,  
BNY Mellon Fund Services (Ireland) Designated Activity Company  
One Dockland Central  
Guild Street  
International Financial Services Centre  
Dublin 1  
Ireland  
Tel: +353 1 900 8081  
Fax: +44 207 964 2667
- (b) Hong Kong-based investors:  
The Hong Kong Representative,  
Principal Investment & Retirement Services Limited  
30/F Millennium City 6  
392 Kwun Tong Road  
Kwun Tong, Kowloon, Hong Kong.  
Tel: 852 2117 8383 (General enquiries)  
Fax: 852 2918 1461 (Dealing)  
Email: [Investors-Asia@principal.com](mailto:Investors-Asia@principal.com)

## **Sales and other enquiries**

### **European-based investors:**

Principal Global Investors (Europe) Ltd.  
Level 1  
1 Wood Street  
London,  
EC2V 7JB  
United Kingdom.  
London: +44-20-7710-0220  
Munich: +49-89-2421-8155  
Amsterdam: +31-20-700-5522  
E-mail: [contactpgfunds@principal.com](mailto:contactpgfunds@principal.com)

### **Middle-East and Africa investors:**

Principal Global Investors LLC Dubai  
Office 109, Level 1, Gate Village 7  
Dubai International Financial Centre

### **Hong Kong-based investors:**

Principal Investment & Retirement Services Limited  
30/F Millennium City 6  
392 Kwun Tong Road  
Kwun Tong, Kowloon, Hong Kong.  
Tel: 852 2117 8383 (General enquiries)

### **Singaporean investors:**

Singapore  
Principal Global Investors (Singapore) Limited  
One Raffles Quay #19-01

P.O. Box 482006  
Dubai, United Arab Emirates  
+971-4-346-4555

North Tower  
Singapore 048583  
+65-6332-0683

**Internet**

Further information about the Unit Trust and about Principal Global Investors can be found on the following website: [www.principalglobal.com](http://www.principalglobal.com)

**Supplement**  
**for the**  
**China Opportunities Equity Fund**

**7 April 2021**

**Principal Global Investors Funds**

This Supplement contains specific information in relation to the China Opportunities Equity Fund (the "**Fund**"), a Fund of the Principal Global Investors Funds (the "**Unit Trust**"), an open-ended umbrella type unit trust authorised by the Central Bank of Ireland (the "**Central Bank**") as an undertaking for collective investment in transferable securities pursuant to the Regulations.

The Directors of the Manager, whose names appear in the Prospectus, accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of the information. The Directors accept responsibility accordingly.

**This Supplement forms part of and should be read in conjunction with the Prospectus for the Unit Trust dated 12 June 2020 (the "Prospectus").**

**An investment in the Fund should not constitute a substantial portion of an investor's overall investment strategy and it may not be appropriate for all investors.**

**Dividends may be declared out of the capital of Income Plus Units and/or fees and expenses may be paid out of the capital of the A2 and D2 Units, in each case in order to preserve cash flow to Unitholders and this will have the effect of lowering the capital value of a Unitholder's investment. In any such cases, there is a greater risk that capital may be eroded (and also that the value of future returns may be diminished) and distribution will be achieved/fees will be paid in a manner that foregoes the potential for future capital growth of your investment. This cycle may continue until all capital is depleted. Distributions out of capital may have different tax consequences to distributions of income and it is recommended that you seek appropriate advice in this regard. The likelihood is that the value of future returns would also be diminished.**

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

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## **1 Investment Objective, Policies and Profile of a Typical Investor**

### **1.1 Investment Objective**

The objective of the Fund is to provide an absolute return based on capital growth and income over the long term.

Investors should be aware that there is no guarantee that the Fund will achieve its investment objective.

### **1.2 Investment Policies**

The Fund seeks to achieve its objective by investing at least 80% of its Net Asset Value in equity and equity related securities selected from investment markets in the Greater China region (Mainland China, Hong Kong, Macau and Taiwan), which the Sub-Investment Adviser believes are mispriced by the market and have the potential for significant growth. The Fund may also invest in securities listed on other markets that derive a significant proportion of their revenue from the Greater China region.

In its security selection process, the Sub-Investment Adviser uses fundamental research that focuses on bottom-up stock selection in order to identify companies which it believes are under-appreciated in the market and that it believes are actively improving through favourable product cycles, operating initiatives, better capital deployment, improved governance, changing industry dynamics or other factors. These factors are analysed through many sources including investment publications on general economic conditions, financial publications from the investment banking industry, corporate annual reports and regulatory filings. The investment philosophy is unconstrained, focused on absolute return and is not managed with reference to an index or other benchmark.

In order to achieve its absolute return objectives and reduce volatility, the Fund may take short positions in index futures to provide downside protection to the long-only equity component of the Fund's portfolio during periods of higher volatility and projected lower returns. For avoidance of doubt, this means there may be periods during which the Fund's market exposure to equities is fully hedged, thereby eliminating market volatility, while also allowing for generating returns to meet the Fund's absolute return objective. However, it is expected this will only occur in exceptional circumstances.

Exposure to Greater China shall primarily be through Hong Kong-listed H shares and other available depositary receipts or through direct exposure to China-A Shares via the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect.

The equity and equity related securities which the Fund may invest in include American depositary receipts (ADRs), global depositary receipts (GDRs) and convertible preferred shares. As a result of a corporate action, the Fund may receive warrants. The Fund shall not however actively invest in or seek to hold warrants for investment purposes.

The Fund may invest in both listed and unlisted equity securities, with a maximum of 10% of the net assets of the Fund permitted in unlisted securities. The Fund's investments will (other than permitted unlisted investments) be listed/traded on the exchanges and markets listed in **Appendix E** to the Prospectus.

The Fund may also invest in real estate investment trusts ("**REITS**") or other REIT-like structures which will be the equivalent of REITS.

A portion of the net assets of the Fund (subject to a maximum of 10% of its Net Asset Value) may be invested in UCITS eligible collective investment schemes, including exchange traded funds, the constituents of which may comprise the instruments and markets described above and therefore is an alternative means through which the Fund may gain exposure to these types of instruments and markets. The Fund will only invest in AIFs per the Central Bank's Guidance in relation to UCITS Acceptable Investments in Other Investment Funds.



The Fund may also hold ancillary liquid assets, that is cash and a range of instruments that can be readily converted to cash (including U.S. treasury bills and government bonds which may be fixed or floating rate but shall not embed FDI or leverage, bank deposits, commercial paper, short term money market deposits and certificates of deposit). However, no more than 20% of the net assets of the Fund may be held in aggregate in ancillary liquid assets and non-equity securities.

Investors' attention is drawn to the information set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks**.

### 1.3 **Profile of a typical investor**

Investment in the Fund is suitable for investors seeking access to China's equity market spanning both onshore and offshore listed companies.

All investors must be able to afford to set aside the invested capital for the medium to long term. The Fund is suitable as an investment in a well-diversified portfolio.

### 1.4 **How the Fund References an Index or Benchmark**

The performance of the Fund is not intended to be compared directly with any specific publicly available benchmark.

The MSCI China All Shares Index may therefore be referred to only in the context of assisting with the determination of the investible universe of the Fund for China A-shares, H-shares and foreign listings (e.g. ADRs). However, the Sub-Investment Adviser maintains full discretion to select investments for the Fund in line with the above investment policies and is not constrained to investing solely in constituents of the Index. Further information on MSCI China All Shares Index is available at [www.msci.com](http://www.msci.com).

## 2 **Investment Restrictions**

The general investment restrictions set out in **Appendix A** of the Prospectus shall apply. In addition, the Fund shall invest no more than:

- 10% of its Net Asset Value in REITS;
- 10% of its Net Asset Value in convertible preferred shares.

## 3 **Efficient Portfolio Management and Long/Short Positions**

The Fund will utilise derivative techniques and instruments, as detailed below, for the purposes of hedging currency for the Hedged Unit Classes and may also do so for efficient portfolio management in accordance with the investment restrictions, conditions and limits laid down by the Central Bank.

### *Futures*

Traded on a regulated exchange, a future is a standardised agreement between two parties to transact in an instrument at a specific price or rate at a future date.

The Fund may invest in futures contracts to reduce the risks of adverse market changes in exchange rates on large cash balances.

The Fund may also invest in index futures for efficient portfolio management purposes and may take short positions on index futures to provide downside protection during high-risk, low-return periods. For efficient portfolio management purposes, the Fund is expected to remain within a maximum long value of 10% of the Fund's Net Asset Value. Short positions taken to provide

downside protection, as outlined in the investment policy above, are permitted to a maximum absolute value of 100% of the Fund's Net Asset Value.

Any financial indices which the Fund has exposure shall be UCITS eligible financial indices which meet with the requirements of the Central Bank. Insofar as it is practical and permitted, more specific information on any such indices will be set out in the annual and semi-annual accounts.

Further information is set out in the Prospectus under the headings **General Information** and **Special Investment Considerations and Risks**.

#### **4 Borrowings**

In accordance with the general provisions set out under the heading **General Information – Borrowings** of the Prospectus, the Fund may borrow up to 10% of its net assets on a temporary basis.

#### **5 Investment Adviser**

The Manager has appointed Principal Global Investors, LLC ("**Principal Global Investors**" or the "**Adviser**") as investment adviser to the Fund pursuant to the Investment Advisers Agreement dated 21 October 2019 and pursuant to which the Adviser agreed to provide investment advisory services to the Manager in respect of each Fund of the Unit Trust. This agreement may be terminated by either party on giving 6 months' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.

Principal Global Investors is a diversified asset management organization and a member of the Principal Financial Group®. Its investment capabilities encompass an extensive range of equity, fixed income and real estate investments as well as specialized overlay and advisory services.

#### **6 Sub-Investment Adviser**

The Adviser has, in turn, appointed Principal Global Investors (Hong Kong) Limited to act as a sub-investment adviser to the Fund (the "**Sub-Investment Adviser**"). The Adviser has delegated to them overall responsibility for the Fund's investments and related aspects of the management of the Fund.

The Sub-Investment Adviser was appointed pursuant to a Sub-Investment Advisers Agreement dated 17 January 2020, as amended.

Pursuant to the Sub-Investment Advisers Agreement, the Adviser may delegate to the Sub-Investment Adviser responsibility for the Fund's investment in securities and related aspects of the management of the Fund, which may include (but are not limited to) security selection and/or portfolio construction responsibilities, as the parties may from time to time agree.

The Sub-Investment Advisers Agreement may be terminated by either party on giving 60 days' written notice to the other although, in certain circumstances, the agreement may be terminated forthwith by notice in writing by either party to the other.

The Sub-Investment Adviser is regulated by Securities and Futures Commission of Hong Kong and is registered with the Securities and Exchange Commission of the United States as an investment adviser.

## 7 Risk Factors

The general risk factors set out under the heading **Special Investment Considerations and Risks** of the Prospectus apply to the Fund.

The following additional risk factors apply:

### **Efficient Portfolio Management Risk**

The Fund will utilise derivative techniques and instruments for the Hedged Unit Classes and for the purposes of efficient portfolio management in accordance with the investment restrictions.

Many of the risks attendant in utilising derivatives, as disclosed in the section entitled **FDI Risks** in the Prospectus, will be equally relevant when employing such efficient portfolio management techniques. In addition, particular attention is drawn to the sub-sections entitled **Credit Risk and Counterparty Risk** and **Collateral Risk**. Investors should also be aware that from time to time, a Fund may engage with counterparties that are related parties to the Trustee or other service providers of the Trust. Such engagement may on occasion cause a conflict of interest with the role of the Trustee or other service provider in respect of the Trust. Please refer to the section of the Prospectus entitled **Conflicts of Interest** for further details on the conditions applicable to any such related party transactions. The identity of any such related parties will be specifically identified in the Fund's annual report.

### **Investment in China**

For further information in relation to risks associated with investment in China, please refer to "**PRC-Specific Risks**" and "**Investing through Stock Connect**" in the "Risk Information" section of the Prospectus.

### **Charges & Income from Capital**

For certain Unit classes, fees and expenses may be charged to the capital of the relevant unit class rather than its income. Where such fees and expenses are charged to capital, this will result in an increase in distributions available to investors but also may have the effect of lowering the capital value of their investment.

Investors who subscribe into Income Plus Units should note that the Manager may, in its absolute discretion, declare a portion of the class capital as dividend. It should be noted that this could result in the erosion of capital of those Income Plus Units. Distributions out of capital may have different tax consequences to distributions of income and it is recommended that investor seek appropriate advice in this regard. In relation to investment in Income Plus Units, special consideration should also be given to the specific risk factors for this Unit Class under the heading Income Plus Units of the Prospectus

Additional risk considerations are also applicable to the Hedged Unit Classes and investors' attention is drawn to the relevant information pertaining to these Unit Classes set out in the Prospectus under the relevant headings in the Special Investment Considerations and Risks section of the Prospectus, in particular "Currency Risk" and "Currency Hedging at Unit Class Level Risk".

## 8 Distribution Policy

The general distribution policy set out under the heading **Distribution Policy** of the Prospectus applies to the Fund.

Distributions on the Income Units in the Fund, with the exception of the A A2, D & D2 Unit classes, will be declared and paid annually within 30 days of the end of each financial year.

Distributions on the A & A2 Unit classes will be declared and paid quarterly within 30 days of the end of each calendar quarter. Distributions on the D & D2 Unit classes in the Fund will be declared and paid monthly within 30 days of the end of each calendar month. Such distributions may be paid in units or in cash. In case of cash payment, the distribution will be paid by telegraphic transfer to the nominated account of the holder at its risk and expense.

Distributions on the Income Plus Units of the Fund will be declared and paid monthly within 30 days of the end of each calendar month. Income Plus Units are units that seek to distribute a stable and consistent amount of net income earned and attributable to the Income Plus Units at each Distribution Date. Further details on Income Plus Units are set out under the heading Distribution Policy of the Prospectus.

## **9 Key Information for Buying and Selling**

### **Base Currency**

US dollars

**Initial Issue Price for all Unit Classes except for the I Class Accumulation Units, I Class Income Units, A Class Income Units, N Class Accumulation Units, D Class Accumulation Units and I2 Class Accumulation Units.**

US\$10 per Unit (or 10 units of the relevant currency for all classes denominated in currencies other than US dollars).

**Initial Offer Period for all Unit Classes except for the I Class Accumulation Units, I Class Income Units, A Class Income Units, N Class Accumulation Units, D Class Accumulation Units and I2 Class Accumulation Units.**

From 9.00 a.m. on 8 April 2021 to 5.30 p.m. on 7 October 2021 (as may be shortened or extended by the Manager and in accordance with the requirements of the Central Bank.

### **Business Day**

Any day other than Saturday or Sunday on which banks are open for business in Ireland, China and Hong Kong.

### **Dealing Day**

Any Business Day and/or such other day or days as the Manager may with prior notification to the Holders determine provided that there shall be at least one per fortnight.

### **Valuation Point**

The Valuation Point shall, until further notice, be 11.00 p.m. Dublin time on the relevant Dealing Day.

Foreign exchange rates used to value the assets of the Fund shall be rates taken at 4.00 p.m. London time on the relevant Dealing Day and which in all cases shall be prior to the Valuation Point.

### **Dealing Deadline**

In relation to any particular place means such time or times of day in that place as the Manager may from time to time determine and shall, until further notice be 10:00 a.m. Dublin time on the relevant Dealing Day.

### **Settlement Period**

Notwithstanding the terms of the Prospectus, settlement of all subscription applications for the Fund must be made within two Business Days after the relevant Dealing Day (T+2).

## 10 Charges and Expenses

### 10.1 Investment and Management Charges (*all amounts in US\$*)<sup>1</sup>:

Units	Minimum Initial Subscription	Current Preliminary Charge (%)	Annual Management Fee (% per annum)	Marketing and Distribution Fee (% per annum)	Annual Trustee Fee (% per annum)	Administration Fee (% per annum)
A	1,000	0.00	1.50	0.00	Not more than 0.0220	0.15
A2	1,000	0.00	1.50	0.00	Not more than 0.0220	0.15
I	2,000,000	0.00	0.85	0.00	Not more than 0.0220	0.00
I2	100,000,000	0.00	0.55	0.00	Not more than 0.0220	0.00
I3	20,000,000	0.00	0.70	0.00	Not more than 0.0220	0.00
D	1,000	0.00	0.85	0.85	Not more than 0.0220	0.15
D2	1,000	0.00	0.85	0.85	Not more than 0.0220	0.15
F	1,000	0.00	0.85	1.10	Not more than 0.0220	0.15
F2	1,000	0.00	0.85	1.70	Not more than 0.0220	0.15
N	1,000	0.00	0.85	0.00	Not more than 0.0220	0.15

10.2 The costs of establishing the Fund, which are not expected to exceed USD 30,000 will be borne by the Fund and amortised over the first five years of the Fund.

10.3 Further details of charges and expenses payable out of the assets of the Fund are set out in the Prospectus under the heading **Charges and Expenses**.

## 11 Other Information

11.1 The other Funds of the Unit Trust in existence at the date of this Supplement are:

- (a) Asian Equity Fund (which is in the process of being terminated and units therein are no longer available for subscription)
- (b) European Equity Fund
- (c) Global Equity (ex-Japan) Fund (which is in the process of being terminated and units therein are no longer available for subscription)

<sup>1</sup> Or such other amounts as the Manager may determine and, in the case of an increase in such amounts, notify to the Holders.

- (d) Global Capital Structure Opportunities Fund (which is in the process of being terminated and units therein are no longer available for subscription)
- (e) Global Equity Fund
- (f) Global Property Securities Fund
- (g) Global Small Cap Equity Fund (which is in the process of being terminated and units therein are no longer available for subscription)
- (h) Global Time Diversified Absolute Return Fund (which is in the process of being terminated and units therein are no longer available for subscription)
- (i) Global High Yield Fund
- (j) Japanese Equity Fund (which is in the process of being terminated and units therein are no longer available for subscription)
- (k) Origin Global Constrained Equity Fund (which is in the process of being terminated and units therein are no longer available for subscription)
- (l) Origin Global Emerging Markets Fund
- (m) Origin Global Smaller Companies Fund
- (n) Post Global Limited Term High Yield Fund
- (o) Preferred Securities Fund
- (p) US Equity Fund (which is in the process of being terminated and units therein are no longer available for subscription)
- (q) Emerging Markets Equity Fund (which is in the process of being terminated and units therein are no longer available for subscription)
- (r) Finisterre EM Debt Fund (which is in the process of being terminated and units therein are no longer available for subscription)
- (s) Claritas Latin American Equity Fund (which is in the process of being terminated and units therein are no longer available for subscription)
- (t) Spectrum Global Capital Securities Fund (which is in the process of being terminated and units therein are no longer available for subscription)
- (u) Real Estate Debt Fund (which is in the process of being terminated and units therein are no longer available for subscription)
- (v) Global Diversified Income Fund
- (w) Finisterre Unconstrained Emerging Markets Fixed Income Fund
- (x) U.S. Blue Chip Equity Fund
- (y) Asian High Yield Fund

(z) Finisterre VAG Unconstrained EM Fixed Income Fund

(aa) Finisterre Emerging Markets Debt Euro Income Fund

11.2 The following classes of Units in the Fund are available for issue. They may have either already been admitted to listing on the Euronext Dublin or application has been made for them to be admitted to listing on the official list and to trading on the Global Exchange Market of Euronext Dublin:

A Class Accumulation Units

A Class Income Units

A2 Class Accumulation Units

A2 Class Income Units

A2 Class Income Plus Units

D Class Accumulation Units

D Class Income Units

D2 Class Accumulation Units

D2 Class Income Units

D2 Class Income Plus Units

F Class Accumulation Units

F Class Income Units

F2 Class Accumulation Units

F2 Class Income Units

I Class Accumulation Units

I Class Income Units

I2 Class Accumulation Units

I2 Class Income Units

I3 Class Accumulation Units

I3 Class Income Units

N Class Accumulation Units

N Class Income Units

Euro Hedged A Class Accumulation Units

Euro Hedged A Class Income Units

Euro Hedged I Class Accumulation Units

Euro Hedged I Class Income Units

Euro Hedged I2 Class Accumulation Units

Euro Hedged I2 Class Income Units

Euro Hedged I3 Class Accumulation Units

Euro Hedged I3 Class Income Units

Euro Hedged N Class Accumulation Units

Euro Hedged N Class Income Units  
Hong Kong Dollar A Class Accumulation Units  
Hong Kong Dollar A Class Income Units  
Hong Kong Dollar A2 Class Accumulation Units  
Hong Kong Dollar A2 Class Income Units  
Hong Kong Dollar D Class Accumulation Units  
Hong Kong Dollar D Class Income Units  
Hong Kong Dollar D2 Class Accumulation Units  
Hong Kong Dollar D2 Class Income Units  
Hong Kong Dollar N Class Accumulation Units  
Hong Kong Dollar N Class Income Units  
Singapore Dollar Hedged A Class Accumulation Units  
Singapore Dollar Hedged A Class Income Units  
Singapore Dollar Hedged A2 Class Accumulation Units  
Singapore Dollar Hedged A2 Class Income Units  
Singapore Dollar Hedged I Class Accumulation Units  
Singapore Dollar Hedged I Class Income Units  
Singapore Dollar Hedged I2 Class Accumulation Units  
Singapore Dollar Hedged I2 Class Income Units  
Singapore Dollar Hedged I3 Class Accumulation Units  
Singapore Dollar Hedged I3 Class Income Units  
Singapore Dollar Hedged N Class Accumulation Units  
Singapore Dollar Hedged N Class Income Units  
Sterling Hedged A Class Accumulation Units  
Sterling Hedged A Class Income Units  
Sterling Hedged I Class Accumulation Units  
Sterling Hedged I Class Income Units  
Sterling Hedged I2 Class Accumulation Units  
Sterling Hedged I2 Class Income Units  
Sterling Hedged I3 Class Accumulation Units  
Sterling Hedged I3 Class Income Units  
Sterling Hedged N Class Accumulation Units  
Sterling Hedged N Class Income Units  
Swiss Franc Hedged A Class Accumulation Units  
Swiss Franc Hedged A Class Income Units  
Swiss Franc Hedged I Class Accumulation Units  
Swiss Franc Hedged I Class Income Units



Swiss Franc Hedged I2 Class Accumulation Units

Swiss Franc Hedged I2 Class Income Units

Swiss Franc Hedged I3 Class Accumulation Units

Swiss Franc Hedged I3 Class Income Units

Swiss Franc Hedged N Class Accumulation Units

Swiss Franc Hedged N Class Income Units

- 11.3 Investors should contact the Administrator for confirmation of the classes of Units available in the Fund at any given time and whether or not they have already been admitted to listing and trading on the Global Exchange Market of Euronext Dublin.

## **12 Directory**

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