

**Principal Prosperity Series
Principal Asia Pacific High Dividend Equity Fund
January 2023**

- *This statement provides you with key information about Principal Asia Pacific High Dividend Equity Fund (“Sub-Fund”).*
- *This statement is a part of the offering document.*
- *You should not invest in the Sub-Fund based on this statement alone.*

Quick facts

Fund Manager: Principal Asset Management Company (Asia) Limited

Delegate of the Fund Manager: Principal Global Investors, LLC (internal delegation, USA)

Trustee: Principal Trust Company (Asia) Limited

Ongoing charges over a year*: Income Class Units: 1.59%

* The ongoing charges figure is based on expenses for the year ended 30 June 2021. This figure may vary from year to year.

Dealing frequency: Every business day

Base currency: US Dollar

Dividend policy:

For Income Class Units:

- (a) Dividend, if declared, will be paid on a monthly basis. If the dividend is below US\$100, it will be reinvested.
- (b) There is no guarantee that dividends will be paid or that there will be a target level of dividend payments for the Sub-Fund. The level and frequency of the dividends paid by the Sub-Fund does not necessarily indicate the total return and income of the Sub-Fund. Dividend payments are subject to the Manager’s discretion.
- The dividend distributed by the Sub-Fund may be paid effectively out of the capital of the Sub-Fund (i.e. making the distribution from gross income while charging all or part of the relevant Sub-Fund’s fees and expenses to capital), resulting in an increase in distributable income for the payment of dividend by the Sub-Fund and may result in an immediate reduction of the net asset value per unit of the Sub-Fund. Such payment of dividend effectively out of capital amounts to a return or withdrawal of part of an investor’s original investment in the Income Class Units or from any capital gains attributable to that original investment.

Financial year end of the Sub-Fund: 30 June

Min. investment: US\$1,000 initial, N/A additional

What is this product?

The Sub-Fund is a fund constituted in the form of a unit trust.

Objectives and Investment Strategy

Objective

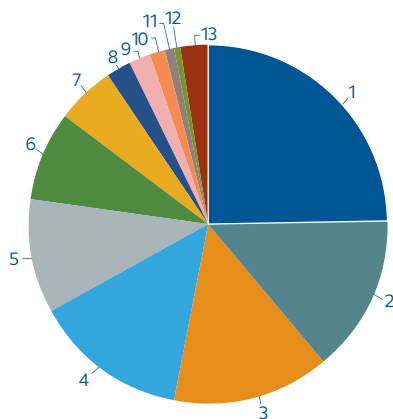
To achieve high current income and capital appreciation through investing in a diversified portfolio of listed securities in the Asia Pacific region.

Investment Strategy

The Sub-Fund will invest in a diversified portfolio of listed securities in the Asia Pacific region, including but not limited to the following countries: Australia, China, Hong Kong, Indonesia, Malaysia, New Zealand, the Philippines, Singapore, South Korea, Taiwan and Thailand. The Sub-Fund will focus on companies which demonstrate strong corporate fundamentals and offer the potential for superior dividend yields. The Sub-Fund will also seek to achieve capital appreciation with relatively moderate to high volatility commensurate with investing in equities. The Sub-Fund may also on an ancillary basis from time to time hold cash, deposits and instruments with floating or fixed rates such as certificates of deposits, bankers' acceptances and commercial paper.

The Sub-Fund may enter into financial futures contracts, financial option contracts and currency forward contracts for hedging purposes.

Investment Mix as at 31 December 2021



1	China Equities	24.8%
2	India Equities	14.3%
3	Taiwan Equities	14.0%
4	Australia Equities	14.0%
5	Korea Equities	10.4%
6	Hong Kong Equities	7.9%
7	Singapore Equities	5.4%
8	Indonesia Equities	2.1%
9	Philippines Equities	2.0%
10	Thailand Equities	1.4%
11	Malaysia Equities	0.8%
12	New Zealand Equities	0.4%
13	Cash and Time Deposit	2.5%

Use of derivatives / investment in derivatives

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's net asset value.

What are the key risks?

Investment involves risks. Please refer to the Explanatory Memorandum for details including the risk factors.

1. Market risk

The Sub-Fund's investments are subject to the risks inherent in all securities, including the fact that the value of holdings may go down as well as up. In particular, dividend yields from the Sub-Fund's investments may fluctuate up or down as a result of changes in the dividend policy of the underlying companies in which the Sub-Fund is invested. Such changes will impact the level of dividend available for distribution by the Sub-Fund.

2. Dividend paid effectively out of capital

In respect of the Income Class Units, the Manager may at its discretion pay dividend out of gross income while paying all or part of the fees and expenses attributable to the Income Class Units out of the capital of such Units, resulting in an increase in distributable income for the payment of dividend by the Income Class Units and therefore, the Sub-Fund may effectively pay dividend out of capital. This amounts to a return or withdrawal of part of a Unitholder's original investment in the Income Class Units or from any capital gains attributable to that original investment. Any distributions involving payment of dividend effectively out of the capital of the Income Class Units may result in an immediate reduction of its net asset value per unit.

3. Specific risks in investing in emerging markets

Various countries in which the Sub-Fund may invest, including but not limited to the following countries: China, Indonesia, Malaysia, the Philippines and Thailand, are considered as emerging markets. As emerging markets tend to be more volatile than developed markets, any holdings in emerging markets are exposed to higher levels of market risk. The securities markets of some of the emerging countries in which the Sub-Fund's assets may be invested are not yet fully developed which may, in some circumstances, lead to a potential lack of liquidity. Accounting, auditing and financial reporting standards in some of the emerging markets in which the Sub-Fund's assets may be invested may be less vigorous than international standards. As a result, certain material disclosures may not be made by some companies. As a result, the Sub-Fund/investors may be adversely impacted.

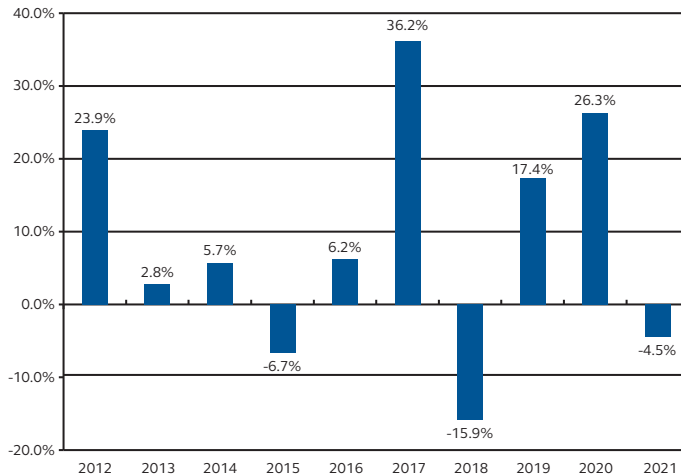
4. Currency risk

The performance of the Sub-Fund may be affected by movements in the exchange rate between the currencies in which the Sub-Fund's assets are held and the base currency of the Sub-Fund. The Sub-Fund will have exposure to fluctuations in currency exchange rates where it invests directly or indirectly in securities denominated in currencies other than US dollars. It may, in part, seek to offset the risks associated with such exposure through foreign exchange transactions. The markets in which foreign exchange transactions are effected are highly volatile, highly specialised and highly technical. Significant changes, including changes in liquidity and prices, can occur in such markets within very short periods of time, often within minutes. Foreign exchange trading risks include, but are not limited to, exchange rate risk, interest rate risk and potential interference by foreign governments through regulation of local exchange markets, foreign investment, or particular transactions in foreign currency. As a result, the Sub-Fund/investors may be adversely impacted.

5. Concentration risk

The Sub-Fund's investments may be concentrated in the markets of smaller economies and the investment performance is sensitive to movements in these markets. Therefore, the performance of the Sub-Fund may differ significantly in direction and degree from the overall global stock market performance. As a result, the Sub-Fund/investors may be adversely impacted.

How has the Sub-Fund performed?



Past performance information is not indicative of future performance. Investors may not get back the full amount invested.

The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividend reinvested.

These figures show by how much the Income Class Units increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding preliminary charge and realisation charge you might have to pay.

Where no past performance is shown there was insufficient data available in that year to provide performance.

Fund launch date: 13 December 2002

Income Class launch date: 13 December 2002

Income Class is selected as the most appropriate representative unit class as it is the only unit class of the Sub-Fund that is currently marketed to the public in Hong Kong.

Is there any guarantee?

The Sub-Fund does not have any guarantees. You may not get back the full amount of the money you invest.

What are the fees and charges?

- Charges which may be payable by you**

You may have to pay the following fees when dealing in the units of the Sub-Fund.

(For Income Class Units)	
Fee	What you pay
Preliminary charge	Up to 5% of the initial offer price or issue price, as the case may be
Conversion charge	Up to 1% of the issue price of the new class
Realisation charge	Up to 1% of the realisation price

- Ongoing fees payable by the Sub-Fund**

The following expenses will be paid out of the Sub-Fund. They affect you because they reduce the return you get on your investments.

(For Income Class Units)	Annual rate (as a % of the Sub-Fund's net asset value)
Management fee	1.4% (maximum 2.5%)
Trustee fee	
First USD40 million	0.125%
Over USD40 million	0.08%
Performance fee	N/A
Administration fee	N/A

What are the fees and charges? (con't)

- **Other fees**

You may have to pay other fees when dealing in the units of the Sub-Fund. The Sub-Fund will bear the costs which are directly attributable to it. Please refer to the section “Expenses and Charges” of the Explanatory Memorandum for details.

You will be given not less than 3 months’ prior notice should there be an increase in any of the above fees and charges from the current level up to the specified maximum level.

Additional Information

- You generally buy and/or realise units at the Sub-Fund’s next-determined net asset value (NAV) after the Fund Manager receives your request in good order on or before 4:00 p.m. (Hong Kong time) (being the dealing cut-off time) on a particular dealing day. If you place your subscription or realisation orders through your distributor, please check with your distributor for the distributor’s internal dealing cut-off time (which may be earlier than the Sub-Fund’s dealing cut-off time).
- The net asset value per unit for the Sub-Fund will be calculated on each dealing day and published daily online at <http://www.principal.com.hk>*.
- The composition of the dividend (i.e. the relative amounts (i) paid out of net distribution income and (ii) effectively paid out of capital) for the last 12 months for the Income Class Units are available from the Manager on request and are also available from the website <http://www.principal.com.hk>*.
- Subject to prior approval of the Securities and Futures Commission (SFC), the Fund Manager may amend the above-mentioned dividend policy in the future by giving the affected Unitholders not less than one (1) month’s notice of such change.
- The past performance information of other unit classes offered to Hong Kong investors (if any) is available from the Fund Manager on request and from the website <http://www.principal.com.hk>*.

* *The website has not been reviewed by the SFC.*

Important

- If you are in doubt, you should seek professional advice.
- The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.