

25 November 2022

This Notice is important and requires your immediate attention. If you are in any doubt about the contents of this Notice, you should seek independent professional advice.

Principal Asset Management Company (Asia) Limited (“Manager”, “we”, “us” or “our”) accepts full responsibility for the accuracy of the information contained in this Notice and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other material facts the omission of which would make any statement misleading as at the date of issuance.

Dear Unitholder,

Re: Principal Prosperity Series (the “Fund”)

Thank you for your continual support of the Fund. We would like to inform you of the following changes (the “Changes”) in respect of the Fund, which shall take effect on 1 January 2023 (the “Effective Date”), unless otherwise specified herein:

1. Amendments to the Explanatory Memorandum of the Fund (the “Explanatory Memorandum”)

- (i) Investment delegation arrangement in respect of Principal Asia Pacific High Dividend Equity Fund and Principal Sustainable Asian Allocation Fund (collectively, the “Relevant Sub-Funds” and each a “Relevant Sub-Fund”).

Relevant Sub-Funds	Investment delegation arrangement	
	Before the Effective Date	On and after the Effective Date
(i) Principal Asia Pacific High Dividend Equity Fund	Delegate of the Manager: Principal Global Investors, LLC (“PGILLC”) Sub-delegate of the Manager: Principal Global Investors (Hong Kong) Limited (“PGIHK”)	Removal of PGIHK as the sub-delegate of the Manager As such, on and after the Effective Date: Delegate of the Manager: PGILLC
(ii) Principal Sustainable Asian Allocation Fund	Delegate of the Manager: PGILLC Sub-delegates of the Manager: <ul style="list-style-type: none"> • PGIHK • Principal Global Investors (Singapore) Limited • Principal Asset Management (S) Pte Ltd 	Removal of PGIHK as one of the sub-delegates of the Manager As such, on and after the Effective Date: Delegate of the Manager: PGILLC Sub-delegates of the Manager: <ul style="list-style-type: none"> • Principal Global Investors (Singapore) Limited • Principal Asset Management (S) Pte Ltd

The proposed removal of PGIHK as the sub-delegate of the Manager in respect of the Relevant Sub-Funds is to streamline the delegation arrangements of the Relevant Sub-Funds under the Fund in order to achieve greater efficiencies. Despite such proposed changes, there will not be any change to the investment objective and policy of each Relevant Sub-Fund.

(ii) Modification of licensing condition of the Manager

With effect from 11 July 2022, the licensing condition for type 9 (asset management) regulated activities to which the Manager is subject has been, after obtaining the regulatory approval from the Securities and Futures Commission of Hong Kong, modified from “*For Type 9 regulated activity, the licensee shall not provide a service of managing a portfolio of futures contracts for another person*” to “*For Type 9 regulated activity, the licensee shall not provide a service of managing a portfolio of futures contracts for another person unless it is for hedging purpose only*”.

(iii) Change in registered office of the Manager

The registered office of Principal Asset Management Company (Asia) Limited (Manager) will be changed to Unit 1001-1002, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong. The current office of the Manager at 30/F, Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Kowloon will remain as a branch office of the Manager.

(iv) Place for document inspection

The place for inspection of the trust deed and the latest annual and semi-annual reports of the Fund will remain at the current office of the Manager at 30/F, Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Kowloon which will become a branch office of the Manager.

(v) The office of the Manager for receiving enquiries and complaints

If you wish to send any enquiries or complaints to us by mail, it should be sent to the current office of the Manager at 30/F, Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Kowloon which will become a branch office of the Manager.

(vi) Change of directors of the Manager

The list of directors of the Manager will be changed to the following:

- (a) CHING, Ho Yin Derek;
- (b) MCCONOMY, Paul;
- (c) MCKENZIE, Barbara Ann; and
- (d) WEST, Kenneth Kirk.

(vii) Update of information in relation to the listing of Principal Financial Group, Inc.

The stock exchange on which Principal Financial Group, Inc. is listed has been changed to National Association of Securities Dealers Automated Quotations (NASDAQ).

2. Impacts on the Fund and Unitholders

The proposed changes as described in section 1(i) above will not result in any change to the investment objectives and policies of the Relevant Sub-Funds or any increase in risk level of the Relevant Sub-Funds. In this regard, these changes will not result in any change in the manner in which the Relevant Sub-Funds currently operate or are being managed. Also, the fee levels and fees and charges structure of the Relevant Sub-Funds will remain unchanged.

The costs of the Changes will be borne by the Manager and will not be borne by the Fund or the Unitholders.

We are of the view that the Changes would be in the interest of the Unitholders and will not create any adverse impact on them. We also confirm that the rights and interests of Unitholders will not be prejudiced due to the Changes.

3. Actions required by Unitholders

No action is required of the Unitholders to effect the Changes.

However, Unitholders of the Relevant Sub-Fund(s) who do not wish to be involved in the changes described in section 1(i) above may submit a realisation request and/or conversion request (as the case may be) by 4:00 p.m. on the business day immediately before the Effective Date to: (i) realise their investment in the Relevant Sub-Fund(s) in accordance with the section headed “Realisation of Units” of the Explanatory Memorandum, and/or (ii) convert their existing investment in the Relevant Sub-Fund(s) to other sub-fund(s) under the Fund in accordance with the section headed “Conversion” of the Explanatory Memorandum.

There will be no fees or penalties, bid/offer spreads or realisation or conversion charges imposed on any realisation or conversion.

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The Explanatory Memorandum will be amended by means of a first addendum (the “**First Addendum**”) to reflect the Changes and the ancillary changes. The First Addendum should be read in conjunction with and forms part of the Explanatory Memorandum. Please read the Explanatory Memorandum and the First Addendum carefully.

No amendment is required to be made to the trust deed of the Fund in respect of the Changes. However, copy of the trust deed of the Fund can be inspected free of charge at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays) at the office of the Manager at 30/F, Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Kowloon.

You may access the First Addendum, the Explanatory Memorandum and Product Key Facts Statements on our website at www.principal.com.hk or request a copy of it by contacting our customer service hotline at 2117 8383.

Terms used in this Notice have the same meanings as in the latest version of the Explanatory Memorandum, unless otherwise specified in this Notice.

If you have any queries relating to the above, please contact our customer service hotline above.

Principal Asset Management Company (Asia) Limited