

Principal Prosperity Series - Principal Sustainable Asian Allocation Fund



As of 30/6/2025

Important Notes:

1. The Principal Sustainable Asian Allocation Fund ("Sub-Fund") will primarily (i.e. at least 70% of the Sub-Fund's net asset value) invest in a diversified range of assets and securities (including equities, equity related securities and debt securities) of companies and issuers in Asia Pacific (ex-Japan) region which are considered to be outperforming their peers with respect to sustainability performance based on environmental, social and governance ("ESG") factors ("ESG achievers") as well as exchange traded funds ("ETFs") and collective investment schemes ("CISs"), which primarily invest in equity or debt securities of companies or issuers that maintain better ESG profiles than their corresponding traditional counterparts (collectively "ESG achiever ETFs/CISs"), and provide capital growth and income over medium to long term.
2. The Sub-Fund invests in a diversified range of assets and securities located in developed markets and in emerging markets. These investments may be denominated in various currencies. The Sub-Fund will not aim to focus its investments on any single country or market capitalisation. However, investments in any country or market capitalisation may be concentrated, depending on the Fund Manager's Sub-Delegate's assessment of the market conditions at different times. Such investments carry general investment risk, equity market risk, ESG investment policy risk, risks associated with debt securities, risk relating to dynamic asset allocation strategy, currency risk, concentration risk, specific risks in investing in emerging markets, risk associated with RMB unit classes, risk associated with investment in financial derivative instruments, risks of implementing active currency position and other associated risks that can cause portfolio values to be very volatile.
3. The Sub-Fund may invest up to 40% of its Net Asset Value in debt securities rated below investment grade (i.e. rated BB+ or below by Standard & Poor's or comparable ratings by Moody's Investors Services or Fitch Ratings) or in the case the credit rating is designated/assigned by a PRC (means the People's Republic of China excluding Hong Kong, Macau and Taiwan for purpose of this material) credit rating agency, A+ and below, or unrated. For the purpose of the Sub-Fund, "unrated debt securities" is defined as debt securities which neither the debt securities nor their issuers have a credit rating. While these credit ratings provided by the relevant rating agencies serve as a point of reference, the Sub-Delegate of the Manager will conduct its own assessment on the credit quality based on various factors, such as leverage level, operating margin, return on capital, interest coverage, operating cash flows, industry outlook, competitive position in the market and corporate governance. The Sub-Fund may from time to time invest less than 30% of its Net Asset Value in RMB-denominated debt securities and equity securities issued in the PRC, including China A-shares via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect or indirectly through all eligible instruments, the Qualified Foreign Investor ("QFI") regime, the China interbank bond market direct access program and/or China Hong Kong Bond Connect, as well as urban investment bonds which are debt instruments issued by local government financing vehicles ("LGFVs"). These LGFVs are separate legal entities established by local governments and/or their affiliates to raise financing for public welfare investment or infrastructure projects.
4. Various countries in Asia Pacific in which the Sub-Fund may invest 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. Holdings in emerging markets are also exposed to special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility. 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.
5. The use of ESG criteria may affect the Sub-Fund's investment performance and, as such, the Sub-Fund may perform differently compared to similar funds that do not use such criteria. For instance, ESG criteria used in the Sub-Fund's investment policy may result in the Sub-Fund forgoing opportunities to buy certain securities when it might otherwise be advantageous to do so, and/or selling securities due to such securities no longer meeting the Sub-Fund's ESG criteria when it might be disadvantageous to do so. As such, the application of ESG criteria may restrict the ability of the Sub-Fund to acquire or dispose of its investments at a price and time that it wishes to do so, and may therefore result in a loss to the Sub-Fund. The use of ESG criteria may also result in the Sub-Fund being concentrated in companies with a focus on ESG criteria and its value may be more volatile than that of a fund having a more diverse portfolio of investments. The selection of securities may involve the subjective judgement of the Fund Manager's Sub-Delegates. There is also a lack of standardised taxonomy of ESG criteria evaluation methodology and the way in which different funds apply such ESG criteria may vary. The Fund Manager and the Fund Manager's Sub-Delegates' ESG assessment takes into account ESG data and research from external data providers, which may be incomplete, inaccurate or unavailable. As a result, there is a risk associated with the assessment of a security or issuer based on such information or data.
6. In respect of the Income Class Units, the Fund 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. For Income Plus Class Units, the Fund Manager may pay dividends out of capital. The payment of dividends effectively out of capital or out of capital amounts to a return or withdrawal of part of a Unitholder's original investment in the Income Class Units or the Income Plus Class Units or from any capital gains attributable to that original investment. Any such distributions may result in an immediate reduction of the net asset value per unit. Dividend is not guaranteed.
7. The Sub-Fund may also invest up to 10% of its net asset value in debt instruments with loss absorption features, which may include instruments classified as Additional Tier 1/ Tier 2 capital instruments, contingent convertible bonds ("CoCos"), non-preferred senior bonds which may also be known as Tier 3 bonds and other instruments eligible to count as loss-absorbing capacity under the resolution regime for financial institution, in compliance with its investment policy and limits. These instruments may be subject to contingent write-down or contingent conversion to equity on the occurrence of trigger event(s).
8. The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's net asset value.
9. Investment involves risk. There is no assurance on investment returns and you may not get back the amount originally invested.
10. The investment decision is yours but you should not invest in this Sub-Fund unless the intermediary who sells it to you has advised you that it is suitable for you and explained how it is consistent with your investment objectives.
11. You should not rely solely on this marketing material when making your investment decision. You should read the Explanatory Memorandum and Product Key Facts of Principal Prosperity Series for further details (including investment policy, risk factors, fees and charges, and fund information).

Investment Objective

The Sub-Fund will primarily (i.e. at least 70% of the Sub-Fund's net asset value) invest in a diversified range of assets and securities (including equities, equity related securities and debt securities) of companies and issuers in Asia Pacific (ex-Japan) region which are considered to be outperforming their peers with respect to sustainability performance based on environmental, social and governance ("ESG") factors ("ESG achievers") as well as exchange traded funds ("ETFs") and collective investment schemes ("CISs"), which primarily invest in equity or debt securities of companies or issuers that maintain better ESG profiles than their corresponding traditional counterparts (collectively "ESG achiever ETFs/CISs"), and provide capital growth and income over medium to long term.

Fund Information

Fund Manager	Raj Singh 14 years of industry experience
Fund Domicile	Hong Kong
Fund Base Currency	USD
Fund Size	US\$29.18 million
Fund Launch Date	10 January 2022
Preliminary Charge	Up to 5%

For other charges and expenses, please refer to the Explanatory Memorandum.

Fund Performance

Cumulative Return ¹ (%)	1 month	3 months	1 year	3 years	5 years	Since Inception
Fund ²	3.7	6.5	7.3	4.3	N.A.	-2.6
Index ³	3.6	8.2	12.1	N.A.	N.A.	10.0

Calendar Year Return ¹ (%)	YTD	2024	2023	2022
Fund ²	8.4	4.9	2.5	-16.4*
Index ³	10.2	7.1	7.6	-14.2*

ESG Information	Fund	Index
Weighted Average Proprietary ESG Score ⁴	6.4	5.1

Performance Since Inception^{1,2} (Income Plus (monthly) Class Units - Retirement)



1 Source: © Morningstar 2025 and Principal Asset Management Company (Asia) Limited. Bid to bid, in fund currency (Dividend reinvested). Overall Morningstar Rating™ 2025 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information in this document.

2 Income Plus (monthly) Class Units - Retirement - HKD (dividend reinvested) is for reference only.

3 50% MSCI AC Asia Pacific ex Japan Net Return Index (USD) + 50% ICE BofA Merrill Lynch Asian Dollar Index. The index is for comparative purposes only.

4 The ESG scores are measured through the use of proprietary research and ESG data from third-party providers.

* Principal Sustainable Asian Allocation Fund launched on 10 January 2022. The 2022 calendar year return of the Fund represents performance from inception date (10 January 2022) to that calendar year-end (31 December 2022), which is not a full year return.

Principal Prosperity Series - Principal Sustainable Asian Allocation Fund



As of 30/6/2025

Available Share Class

Share Class	Income Plus (monthly) Class Units - Retirement
Share Class Currency	HKD
Management Fee	0.85% p.a.
Minimum Investment	HKD\$50,000
Dividend Frequency [^]	Monthly
Annualized Distribution Yield ⁺	5.48%
ISIN	HK0000798915
Bloomberg Code	PSAAPMH HK

Top Ten Stock Holdings*

Stock	Sector	%
Taiwan Semiconductor Manufacturing Co Ltd	Information Technology	4.0
Reliance Industries Ltd	Energy	2.6
Tencent Holdings Ltd	Communication Services	2.6
HDFC Bank Ltd	Financials	2.3
ICICI Bank Ltd	Financials	2.2
Xiaomi Corp-Class B 1810	Communication Services	1.8
Alibaba Group Holding Ltd	Communication Services	1.7
E Ink Holdings Inc	Industrials	1.7
Seven Group Holdings Ltd	Consumer Discretionary	1.7
MediaTek Inc	Information Technology	1.6
Total		22.1

Top Ten Bond Holdings*

Bond	Sector	%
Perusahaan Penerbit SBSN Indonesia III-5.6% 15/11/2033	Government	1.4
Indonesia Government Intl Bond-5.6% 15/01/2035	Government	1.4
State Bank of India/London-5.125% 25/11/2029	Financials	1.4
Sinopec Group Overseas Development 2018 Ltd-3.68% 08/08/2049	Energy	1.1
Reliance Industries Ltd-2.875% 12/01/2032	Energy	0.8
SK Hynix Inc-6.375% 17/01/2028	Information Technology	0.7
LG Electronics Inc-5.625% 24/04/2029	Consumer Discretionary	0.7
Philippines Government International Bond-5.95% 13/10/2047	Government	0.7
CK Hutchison International (24) Ltd-5.375% 26/04/2029	Consumer Discretionary	0.7
Swire Pacific MTN Financing (HK) Limited-5.125% 05/07/2029	Financials	0.7
Total		9.7

Portfolio Characteristics

Portfolio Yield [#]	3.53% [#]
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Location Breakdown (%)

Location	Equity	Fixed Income	Total
The People's Republic of China**	10.8	6.2	17.0
India	9.0	5.6	14.6
Hong Kong SAR, China	4.0	5.2	9.2
Korea	3.6	4.9	8.5
Taiwan	7.6	0.0	7.6
Australia	6.3	0.6	6.9
Indonesia	0.0	6.0	6.0
Singapore	1.6	1.3	3.0
Philippines	0.0	2.1	2.1
Others	0.4	5.8	6.2
Cash	-	-	3.7
Mutual Funds	-	-	15.2
Sub-Total	43.3	37.8	100.0

Industry Breakdown (%)

Industry	Equity	Fixed Income	Total
Financials	13.5	16.4	29.9
Communication Services	8.0	3.7	11.6
Consumer Discretionary	4.4	4.8	9.2
Information Technology	8.3	0.7	9.0
Energy	2.6	2.6	5.1
Government	0.0	5.1	5.1
Industrials	3.4	0.7	4.0
Utilities	1.4	2.5	3.9
Consumer Staples	0.0	1.3	1.3
Others	1.8	0.0	1.8
Cash	-	-	3.7
Mutual Funds	-	-	15.2
Sub-Total	43.3	37.8	100.0

Investments do not always add up to 100% due to rounding.

[#] The figure is for reference only and does not represent the actual yield received by investors.

^{*} Investors should be aware that the exposure of the Fund can change significantly on a daily basis.

[^] Source: Principal Asset Management Company (Asia) Limited, as of 30 June 2025. Distributions of the Income Class Units and Income Plus Class Units will be declared and paid monthly within 30 days of the end of each calendar month. Dividend, if declared, will be automatically re-invested unless cash distribution is applied for. For funds offering classes with a distribution feature, dividend rate is not guaranteed. Distributions may be paid from capital.

⁺ Annualized Distribution Yield = [(1+dividend per unit/ex-dividend NAV)^{distribution frequency}]-1, the annualized distribution yield is calculated based on the latest dividend distribution, and may be higher or lower than the actual annual distribution yield. Positive distribution yield does not imply positive return.

^{**} Means the People's Republic of China excluding Hong Kong, Macau and Taiwan for purpose of this Fact Sheet.

Investment involves risks. Past performance is no guarantee to future performance. For details of the Fund and risk of emerging markets, please refer to the Fund's Explanatory Memorandum.

This material has not been reviewed by the Securities and Futures Commission.

Issuer: Principal Asset Management Company (Asia) Limited