

28 November 2025

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 our knowledge and belief there are no other material facts the omission of which would make any statement herein misleading as at the date of issuance.

Dear Unitholder,

Re: Principal Life Style Fund (信安豐裕人生基金) (the “Fund”)

Thank you for your continuous support of the Fund. We would like to inform you of the following changes (the “Changes”) in respect of the Fund and its Sub-Funds, which shall take effect on 2 January 2026 (the “Effective Date”), unless otherwise specified.

Summary of the Changes

This table summarises the Changes that will be made to the Fund and the Sub-Funds with effect from the Effective Date, unless otherwise specified.

1. Proposed offering of certain classes of Units of Principal International Bond Fund, Principal International Equity Fund and Principal Hong Kong Bond Fund (collectively, the “Proposed MRF Sub-Funds”) to investors in Mainland China

The Manager intends to offer the Investment Class – RMB, Retail Class – RMB, R2 Class – RMB, R6 Class – RMB and Income Class – RMB Units (collectively, the “**MRF Unit Classes**”) of the Proposed MRF Sub-Funds to investors in Mainland China, upon obtaining the approval of the China Securities Regulatory Commission (“**CSRC**”) for distribution of the Proposed MRF Sub-Funds in Mainland China under the Mainland-Hong Kong Mutual Recognition of Funds arrangement.

The investment policies of the Proposed MRF Sub-Funds will be enhanced to clarify that each of the Proposed MRF Sub-Funds will not invest more than 20% of its respective net asset value in Mainland China market. Certain references to defined terms will also be amended throughout the Prospectus (and, where applicable, the product key facts statements (“**KFS**”) of the Proposed MRF Sub-Funds). The tax and risk disclosures in relation to investment in Mainland China will also be updated and enhanced.

The Explanatory Memorandum will also be updated to reflect that no distribution fee will be charged to R2 Class – RMB Units of the Proposed MRF Sub-Funds. For the avoidance of doubt, there will be no change to the current level of distribution fee chargeable to the other R2 Class Units.

2. Introduction of anti-dilution pricing adjustment (swing pricing) mechanism

The Manager may effect anti-dilution pricing adjustment (swing pricing) mechanism for the Proposed MRF Sub-Funds under certain circumstances, subject to prior consultation with and no objection of the Trustee. Under this mechanism, the Manager may (if in its opinion in good faith it is in the best interest of Unitholders to do so), adjust the Net Asset Value of a Unit of any class of the Proposed MRF Sub-Fund to reduce the effect of “dilution” of such Proposed MRF Sub-Fund.

The anti-dilution pricing adjustment (swing factor) will not exceed 2 per cent. of the Net Asset Value per Unit of the relevant Proposed MRF Sub-Fund on the relevant Dealing Day under normal market conditions, which may be increased under extreme market conditions (such as market crash or global financial crisis).

In determining the issue and redemption prices of a Unit of any class of the relevant Proposed MRF Sub-Fund on each relevant Dealing Day, the Net Asset Value per Unit shall be increased by the aforesaid adjustment where the net subscription on the relevant Dealing Day exceeds certain pre-determined threshold(s), or decreased by the aforesaid adjustment where the net redemption on the relevant Dealing Day exceeds certain pre-determined threshold(s). The swing pricing threshold is determined on a fund-by-fund basis considering internal analysis of the relevant Proposed MRF Sub-Fund and publicly available market survey and reports. Any additional amount resulting from the adjustment will be retained by the relevant Proposed MRF Sub-Fund and will form part of the assets of the relevant Proposed MRF Sub-Fund.

The Explanatory Memorandum will also be updated to reflect that the Manager may utilise anti-dilution pricing adjustment (swing pricing) mechanism as a liquidity risk management tool in performing its liquidity risk management function.

3. Update to the definition of “Business Day”

To reflect the arrangement whereby dealing and valuation of the Sub-Funds are available on a severe weather trading day (i.e. any day from Monday to Friday, except a public holiday in Hong Kong, on which severe weather conditions¹ subsists (the “**SWT Day**”)) in the fund documents of the Fund, the definition of “Business Day” in the Explanatory Memorandum and the Trust Deed will be updated such that it means a day on which The Stock Exchange of Hong Kong Limited is open for normal trading, or such other day or days as the Manager and the Trustee may agree from time to time, either generally or in relation to a particular Sub-Fund.

All references to “**Business Day**” (and, accordingly, the definition of “**Dealing Day**” in the Explanatory Memorandum and the Trust Deed, and the definition of “**Dealing Deadline**” in the Trust Deed which make references to “**Business Day**”) throughout the Explanatory Memorandum and/or the Trust Deed shall be construed accordingly.

Consequential enhancement of disclosures in the Explanatory Memorandum will also be made.

Please also note that inspection of the Register by Unitholders will not be available on Business Days on which the Trustee’s office is closed due to severe weather conditions.

¹ Severe weather refers to the scenario where a typhoon signal number 8 or above or a black rainstorm warning is issued by the Hong Kong Observatory, or an “extreme conditions” announcement is made by the Hong Kong government.

4. Update to include disclosures relating to collateral received by certain Sub-Funds

Each of the Principal International Bond Fund, Principal Pension Bond Fund, Principal Hong Kong Bond Fund and Principal Asian Bond Fund (collectively, the “**Bond Funds**”) may receive collaterals from counterparty of over-the-counter financial derivative transactions (which are entered into for hedging purpose only). The Explanatory Memorandum will be updated to include disclosures relating to the collateral management and valuation policy adopted by the Manager, and enhancement of risk disclosures on collateral management and re-investment of cash collateral.

The Changes above are elaborated in the main body of this Notice. The Changes will not have any adverse impact on Unitholders.

Queries

If you have any questions or concerns about the Changes set out in this Notice, please contact our customer service hotline at (852) 2117 8383.

1. Proposed offering of the MRF Unit Classes of the Proposed MRF Sub-Funds to investors in Mainland China

The Manager intends to offer the MRF Unit Classes of the Proposed MRF Sub-Funds to investors in Mainland China under the Mainland-Hong Kong Mutual Recognition of Funds arrangement, whereby the Retail Class – RMB, R2 Class – RMB, R6 Class – RMB and Income Class – RMB Units will be offered to retail investors in Mainland China; and the Investment Class – RMB Units will only be offered to institutional investors in Hong Kong and Mainland China, and will not be available to registered schemes or approved pooled investment funds under the MPFS Ordinance or occupational retirement schemes in Hong Kong.

Please note that the MRF Unit Classes of the Proposed MRF Sub-Funds will only be offered after the Proposed MRF Sub-Funds obtain the approval of the CSRC under the Mainland-Hong Kong Mutual Recognition of Funds arrangement. Investors in Mainland China should refer to the supplementary offering document of the Trust distributed in Mainland China for details in relation to such Classes of Units in the Proposed MRF Sub-Funds.

The investment policies of the Proposed MRF Sub-Funds in the Explanatory Memorandum will be enhanced to clarify that each of the Proposed MRF Sub-Funds will not invest more than 20% of its respective net asset value in Mainland China market (for example China A-Shares, China B-Shares or onshore debt securities).

Certain references to “PRC”, “China” and “Chinese” will also be respectively replaced with “Mainland China”, “the Mainland China” or “Mainland Chinese” as appropriate throughout the Prospectus (and, where applicable, the KFS of the Proposed MRF Sub-Funds. The tax and risk disclosures in relation to investment in Mainland China will also be updated and enhanced to reflect the current market situation.

The Explanatory Memorandum will also be updated to reflect that no distribution fee will be charged to R2 Class – RMB Units of the Proposed MRF Sub-Funds. For the avoidance of doubt, there will be no change to the current level of distribution fee chargeable to the other R2 Class Units.

2. Introduction of anti-dilution pricing adjustment (swing pricing) mechanism

With a view to protecting the interests of Unitholders, the Manager may effect anti-dilution pricing adjustment (swing pricing) mechanism for the Proposed MRF Sub-Funds under certain circumstances.

In order to reduce the effect of “dilution” on a Proposed MRF Sub-Fund, the Manager may (if in its opinion in good faith it is in the best interest of Unitholders to do so), adjust the Net Asset Value of a Unit of any class of the Proposed MRF Sub-Fund. Dilution occurs when the actual cost of purchasing or selling the underlying assets of a Sub-Fund, deviates significantly from the carrying value of these assets in the relevant Sub-Fund’s valuation due to dealing and other costs, taxes and duties, market movements and any spread between the buying and selling prices of the underlying assets. Dilution may have an adverse effect on the value of a Proposed MRF Sub-Fund and therefore impact the Unitholders. By adjusting the Net Asset Value per Unit, this effect can be reduced or mitigated and existing Unitholders of the Proposed MRF Sub-Funds can be protected from the impact of dilution caused by trading costs resulting from sizable net flow of subscriptions and redemptions within the Proposed MRF Sub-Funds, such that the relevant costs are only borne by investors who cause them.

Under normal market conditions, we expect that the anti-dilution pricing adjustment (swing factor) will not exceed 2 per cent. of the Net Asset Value per Unit of the relevant Proposed MRF Sub-Fund on the relevant Dealing Day. Under extreme market conditions (such as market crash or global financial crisis), we may increase such amount of adjustment to the extent which exceeds the maximum to protect interests of the Unitholders.

In determining the issue and redemption prices of a Unit of any class of the relevant Proposed MRF Sub-Fund on each relevant Dealing Day, the Net Asset Value per Unit shall be increased by the aforesaid adjustment where the net subscription on the relevant Dealing Day exceeds certain pre-determined threshold(s), or decreased by the aforesaid adjustment where the net redemption on the relevant Dealing Day exceeds certain pre-determined threshold(s).

The swing pricing threshold is determined on a fund-by-fund basis considering internal analysis of the relevant Proposed MRF Sub-Fund and publicly available market survey and reports. In terms of internal analysis, the threshold of net subscription/redemption that triggers the swing pricing mechanism (which shall be expressed as a percentage of the relevant Proposed MRF Sub-Fund’s Net Asset Value) is set to commensurate with the expected cash level (also expressed in a percentage of the relevant Proposed MRF Sub-Fund’s Net Asset Value) to be kept within the relevant Proposed MRF Sub-Fund. The estimated range of cash level of a Proposed MRF Sub-Fund is obtained from the portfolio manager, and the bottom level of the range is taken as the threshold in order to be more conservative given that if the threshold is set too high and the relevant Proposed MRF Sub-Fund swings so infrequently, the swing pricing mechanism may not achieve its aim in providing reasonable protection to its investors. The pre-determined threshold set is then checked against publicly available information to decide if the threshold determined is in-line with those set by other market peers. This checking mainly is to ensure the reasonableness of the pre-determined threshold and at no point will the threshold be determined only by these publicly available information. Such pre-determined threshold(s) will be determined and reviewed on a regular basis by the Manager.

We will consult the Trustee prior to any adjustment and such adjustment will only be made where the Trustee has no objection to it. Any such additional amount resulting from the adjustment will be retained by the relevant Proposed MRF Sub-Fund and will form part of the assets of the relevant Proposed MRF Sub-Fund.

As a result of the above change, the Proposed MRF Sub-Funds will be subject to pricing adjustments risk. Subscriptions or redemptions may dilute a Sub-Fund's assets due to dealing and other costs associated with the trading of underlying securities. In order to counter this impact, adjustment of prices (including swing pricing) may be adopted to protect the interests of the Unitholders. Consequently, investors may subscribe (redeem) at a higher issue price (lower redemption price). Investors should note that the occurrence of events which may trigger adjustment of prices is not predictable. It is not possible to accurately predict how frequent such adjustments of prices will need to be made. Adjustments may be greater than or less than the actual charges incurred. Investors should also be aware that adjustment of prices may not always, or fully, prevent the dilution of the relevant Proposed MRF Sub-Fund's assets. Other than the pricing adjustments risk, the above change will not result in any other changes to the features and risks applicable to the Proposed MRF Sub-Funds.

The Explanatory Memorandum will also be updated to reflect that the Manager may utilise anti-dilution pricing adjustment (swing pricing) mechanism as a liquidity risk management tool in performing its liquidity risk management function.

3. Update to the definition of "Business Day"

Currently, under the Explanatory Memorandum, a "Business Day" is a day (other than Saturday) on which banks in Hong Kong are open for normal banking business (unless the Manager and the Trustee otherwise agree), or such other day or days as the Manager and the Trustee may agree from time to time, either generally or in relation to a particular Sub-Fund; and under the Trust Deed, "Business Day" is defined as, unless the Manager and the Trustee otherwise agree, a day on which banks generally are open for normal banking business in Hong Kong (excluding Saturdays), or such other day or days as the Manager and the Trustee may agree from time to time, either generally or in relation to a particular Sub-Fund.

With reference to the notice issued on 23 September 2024, application or redemption for any class of Units and switching all or part of your Units between Sub-Funds are available on a SWT Day. Valuation of Sub-Funds on each SWT Day will be based on the unit price of the relevant Sub-Funds on the relevant SWT Days. In order to reflect the above arrangement in the fund documents of the Fund, the definition of "Business Day" in the Explanatory Memorandum and the Trust Deed will be updated such that it means a day on which The Stock Exchange of Hong Kong Limited is open for normal trading, or such other day or days as the Manager and the Trustee may agree from time to time, either generally or in relation to a particular Sub-Fund.

All references to "**Business Day**" (and, accordingly, the definition of "**Dealing Day**" in the Explanatory Memorandum and the Trust Deed, and the definition of "**Dealing Deadline**" in the Trust Deed which make references to "**Business Day**") throughout the Explanatory Memorandum and/or the Trust Deed shall be construed accordingly.

Consequently, disclosures in the Explanatory Memorandum will also be enhanced to reflect that:

- (a) dealing in the Sub-Funds on days when there are severe weather conditions in Hong Kong will depend on the operational support of the service providers, such as settlement banks. Investors should therefore consult the relevant service provider for (i) its internal dealing cut-off time (which may be earlier than a Sub-Fund's dealing cut-off time) and (ii) its services on days when there are severe weather conditions in Hong Kong before placing orders to deal in Units of the Sub-Funds;

- (b) the Manager's customer service counter will be closed on days when there are severe weather conditions in Hong Kong. As such, original dealing requests received at the Manager's customer service counter on such days will not be processed until the next Dealing Day when normal business hours resume. Dealing requests by facsimile and straight-through processing will not be impacted and will be dealt with in accordance with the usual procedures set out in the Explanatory Memorandum; and
- (c) the documents set out in the sections titled "Accounts and Financial Reports" and "Documents Available for Inspection" in the Explanatory Memorandum will not be available for inspection on Business Days on which the Manager's office is closed due to severe weather conditions.

Please also note that inspection of the Register by Unitholders will not be available on Business Days on which the Trustee's office is closed due to severe weather conditions.

4. Update to include disclosures relating to collateral received by the Bond Funds

Each of the Bond Funds may receive collaterals from counterparty of over-the-counter financial derivative transactions (which are entered into for hedging purpose only). The Explanatory Memorandum will be updated to include disclosures relating to the collateral management and valuation policy adopted by the Manager, and enhancement of risk disclosures on collateral management and re-investment of cash collateral.

5. Impact on the Fund and Unitholders

Save as disclosed above, there will be (i) no change to the other features of the relevant Sub-Funds and the operation and/or manner in which the relevant Sub-Funds are being managed in practice; (ii) no other change to the risks applicable to the relevant Sub-Funds; (iii) no changes in the fee level or cost in managing the relevant Sub-Funds; and (iv) there will not be any adverse impact that may materially prejudice the existing Unitholders' rights or interests, as a result of the Changes.

The fees and costs incurred in connection with the Changes will be borne by the Manager and will not be borne by the Sub-Funds or the Unitholders.

6. Actions required by Unitholders

No action is required of the Unitholders to effect the Changes, except as set out below.

However, in connection with the Changes set out in section 2 above, Unitholders who do not wish to remain invested in the relevant Sub-Fund(s) after the Changes take effect may by 5:00 p.m. on the business day immediately before the Effective Date (i) realise their investment in the relevant Sub-Fund(s) in accordance with the section titled "*Redemption of Units*" of the Explanatory Memorandum, and/or (ii) switch their existing investment in the relevant Sub-Fund(s) to other eligible Sub-Fund(s) under the Fund in accordance with the section titled "*Switching between Sub-Funds*" of the Explanatory Memorandum. There will be no redemption or switching fees imposed by the Manager on any such redemption or switching, although your bank, distributor or financial adviser may charge fees in respect of such redemption/switching instructions. You are advised to contact your bank, distributor or financial adviser should you have any questions.

7. Availability of documents

The Explanatory Memorandum will be revised to reflect the Changes and other consequential, administrative and miscellaneous updates (including consolidation of previous addenda into the Explanatory Memorandum and removal of obsolete disclosures). Where applicable, the KFS of the relevant Sub-Funds will also be amended to reflect the Changes. You may access the latest version of the Explanatory Memorandum and KFS of the Sub-Funds on our website at www.principal.com.hk² or request a copy of it by contacting our customer service hotline at 2117 8383.

The Trust Deed will also be amended by means of a deed of variation to reflect the Changes set out under sections 2 and 3 above and other consequential and miscellaneous updates for clarificatory purpose. Copy of the Trust Deed (as amended) 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 29/F, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong.

Changes set out in this Notice are in summary form only. Please read the revised Explanatory Memorandum, the revised KFS and the Trust Deed (as amended) carefully.

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

² This website has not been reviewed by the SFC.