Principal Asset Management Company (Asia) Limited

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18 November 2026

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 Prosperity Series (the "Fund")
Principal Sustainable Asian Income Fund (the "Sub-Fund")

Thank you for your continuous support of the Fund. We would like to inform you that we have decided to terminate the Sub-Fund with effect from 15 March 2027 (the "**Termination Date**").

All capitalized terms used in this Notice shall have the same meaning as given to them in the Explanatory Memorandum and the Trust Deed as may be amended and supplemented from time to time, unless the context otherwise stated.

A. Reasons for termination of Principal Sustainable Asian Income Fund

Pursuant to Clause 27.3 of the Trust Deed, the Sub-Fund may be terminated by the Manager in its absolute discretion by notice in writing to the Trustee if on any date, in relation to the Sub-Fund, the aggregate Net Asset Value of the Units of the relevant class outstanding hereunder in respect of such Sub-Fund shall be less than US$2 million or such other amount as may be specified in the Notice of Establishment and Supplemental Deed in relation to such Sub-Fund.

As at 10 November 2026, the Net Asset Value of the Sub-Fund was US$19,521,657.87, among which, approximately 99% was held by an affiliated entity of the Manager as seed investments (the "**Seed Investor**"). The Seed Investor has informed the Manager of its intention to realise its entire investment in the Sub-Fund on the Last Realisation Day (as defined in section B below). For the avoidance of doubt, as at the date of this Notice, the Seed Investor has not submitted a realisation request. To ensure that the realisation of units is carried out in an orderly manner without prejudice to the remaining investor(s) and is in the best interest of all investors, the Seed Investor will realise its entire investment in the Sub-Fund on the Last Realisation Day and the Manager will actively monitor the liquidity of the Sub-Fund during the realisation period.

Taking into account the relatively small Net Asset Value of the Sub-Fund following the anticipated realisation of Units by the Seed Investor and the lack of investor interest in the Sub-Fund, the Manager considers that the management of the Sub-Fund is not economically viable and that it is in the best interests of the Unitholders to terminate the Sub-Fund on the Termination Date. On this basis, the Manager has given written notice to the Trustee of its decision to terminate the Sub-Fund and will obtain regulatory approval from the Securities and Futures Commission (the "**SFC**") for withdrawal of authorisation of the Sub-Fund and its Product Key Facts Statement immediately following the termination of the Sub-Fund. The Trustee does not object to the Manager's decision.

In accordance with Clause 27.4 of the Trust Deed, a written notice of termination with the Termination Date shall be given to the Unitholders at least three months prior to the Termination Date. No extraordinary resolutions of the Unitholders are required to authorise the termination of the Sub-Fund. Following the publication of this Notice, the Seed Investor will realise all of its investment in the Sub-Fund on the Last Realisation Day (as defined below), such that the Net Asset Value of the Sub-Fund will be less than US$2 million. The Sub-Fund will continue to be managed in accordance with its investment objective, policy and restrictions until the Last Realisation Day. The Sub-Fund may deviate from its investment strategy and objective during the realisation period.

B. Actions to be taken by Unitholders

From the date of this Notice, you may take one of the following actions:

(i) Free realisation

At any time on or before 5:00 pm (Hong Kong time), being the Sub-Fund's dealing cut-off time, on 18 February 2027 (the "**Last Realisation Day**"), you may realise your holdings in the Sub-Fund free of realisation charge. To effect realisation on a particular Dealing Day (a "**Realisation Day**"), the realisation request must be received by the Manager no later than the Dealing Deadline at 5:00 p.m. (Hong Kong time) on the Realisation Day. Please note that your authorised distributor may impose an internal dealing cut-off time, which may be earlier than the deadline stated above and may charge realisation, conversion and/or transaction fees.

(ii) Free switching

At any time on or before 5:00 pm (Hong Kong time) on the Last Realisation Day, you may inform the Manager in writing of your intention to switch Units into units in Principal Sustainable Asia Equity Income Fund under the Fund managed by the Manager free of charge. Please note that switching fee may be charged by your distributor for each switching request. Such conversion will be effected on the Dealing Day on which the switching request is received prior to the dealing deadline at 5:00 p.m., subject to procedures set out in the Explanatory Memorandum. Your distributor may impose an internal dealing cut-off time, which may be earlier than the deadline stated above.

(iii) Distribution of cash proceeds after the Last Realisation Day

If you take no action before 5:00 pm (Hong Kong time) on the Last Realisation Day, pursuant to Clauses 27.8 of the Trust Deed, all the assets in the Sub-Fund will be realised and all net cash proceeds derived from the realisation and available for the purposes of distribution will be distributed to you within nine business days after the Last Realisation Day, in proportion to your holdings of Units in the Sub-Fund as at 5:00 pm (Hong Kong time) on the Last Realisation Day, free of any charges by the Manager.

Realisation proceeds will normally be paid by cheque posted, at the risk of the person entitled thereto, within one week and in any event not later than one month, of the Dealing Day on which the realisation is effected or, if later, after original duly completed realisation documentation has been received by the Manager. At the request and expense of the realising Unitholder, the realisation proceeds can be paid by telegraphic transfer. For details of realisation procedures, please refer to the section entitled "Realisation of Units" and Appendix II on realisation of units of the Sub-Fund of the Explanatory Memorandum.

C. Implications on Unitholders

As of and from the date of this Notice, the Sub-Fund will no longer be allowed to be marketed to the public in Hong Kong and it will not accept any subscription from new or existing investors. The Sub-Fund will cease dealing on the Last Realisation Day.

Costs

All fees and costs incurred in connection with the termination of the Sub-Fund, which include translation, typesetting and production of this Notice, and subsequent withdrawal of authorisation after the termination, will be borne by the Sub-Fund pursuant to clause 27.8.2 of the trust deed of the Fund. The estimated costs to be borne by the Sub-Fund will be HK$20,000 (approximately US$2,550), being 0.01% of the Sub-Fund's Net Asset Value as of 10 November 2026 ("**Termination Expenses**").

The Termination Expenses which will be borne by Sub-Fund will be set aside from the Sub-Fund's assets as a provision for discharging the costs and expenses associated with the termination and subsequent withdrawal of SFC authorisation of the Sub-Fund ("**Termination Expenses Provision**") and deducted from the total assets of the Sub-Fund on the date of this notice. Accordingly, with effect from the date of this notice, the Net Asset Value of the Sub-Fund will have reflected the applicable Termination Expenses Provisions. The Trustee has no comment on the Termination Expenses Provisions. The Termination Expenses Provision will be sufficient for covering the actual Termination Expenses and we do not expect that there will be any shortfall. Where the Termination Expenses Provision of the Sub-Fund is insufficient to cover the actual Termination Expenses of the Sub-Fund, any shortfall will be borne by the Manager. In the event that the actual Termination Expenses are lower than the amount of Termination Expenses Provision, we will, after consultation with the Trustee, make a refund to the remaining Unitholders in respect of the Units of the Sub-Fund held by the Unitholders as at the Last Realisation Day.

There will not be any balance remaining within the Sub-Fund on the Termination Date in relation to the costs for termination of the Sub-Fund.

(i) Total expense ratio ("TER")

The TER of the Sub-Fund is currently 1.50%. The TER is calculated based on the total operating expenses, which is an annualized figure, of the Sub-Fund for the relevant year, expressed as a percentage of the Sub-Fund's average Net Asset Value. Such operating expenses include, among others, management fees, trustee and administration fees and other operating expenses. The Sub-Fund's TER primarily comprises a management fee of 0.90%, trustee and administration fees of 0.30%, and other operating expenses of 0.30%.

(ii) Ongoing charges of the Sub-Fund

The Manager will continue to charge the management fee from the date of this Notice until the Last Realisation Day, and the Manager will waive the management fee thereafter.

The Trustee will continue to charge the trustee fee from the date of this Notice until the Last Realisation Day, and the Trustee will waive the trustee fee thereafter.

(iii) Unamortised establishment costs

The Sub-Fund will be fully amortized by 15 December 2026. As such on the Termination Date, there will be no unamortized establishment costs.

D. Tax implication to Hong Kong investors

Hong Kong profits tax

During such period as the Sub-Fund is authorised as a collective investment scheme by the SFC pursuant to Section 104 of the Securities and Futures Ordinance (Cap. 571), under present law and practice in Hong Kong, profits of the Sub-Fund are exempt from Hong Kong profits tax. Distributions by the Sub-Fund should generally not be subject to Hong Kong profits tax in the hands of Unitholders in accordance with the prevailing practice of the Inland Revenue Department. Hong Kong profits tax will arise on any gains or profits sourced in Hong Kong made on the sale, redemption or other disposal of the Units where such

transactions form part of a trade, profession or business carried on by a Unitholder in Hong Kong and such Units are not capital assets to the Unitholders. There is no withholding tax on dividend distributions in Hong Kong.

Hong Kong stamp duty

Pursuant to the remission order issued by the Secretary for the Treasury on 20 October 1999, any Hong Kong stamp duty payable on the transfer of securities to the Sub-Fund by an investor as consideration for an allotment of Units will be remitted or refunded. Similarly, any Hong Kong stamp duty payable on the transfer of securities by the Sub-Fund to an investor upon redemption of Units will also be remitted or refunded.

No Hong Kong stamp duty is payable by Unitholders in relation to an issue or redemption of Units where the redemption is effected by extinguishing the Units. Other types of sales or purchases or transfers of Units by the Unitholders should be liable to Hong Kong stamp duty of 0.10% (payable by both the buyer and the seller) on the higher of the consideration amount or market value. In addition, a fixed duty of HKD5 is currently payable on any instrument of transfer of Units.

The tax implications of the investors' holdings as a consequence of the termination of the Sub-Fund may vary depending on the law and regulations of their country of residence, citizenship or domicile. Investors should consult their professional tax advisers for tax advice.

E. Audit report with the terminating Sub-Fund

Under Chapter 11.6 of the Code on Unit Trusts and Mutual Funds issued by the SFC (the "**Code**"), annual reports containing the information provided in Appendix E must be published and distributed to the Unitholders within four months of the end of the Fund's financial year, which is 30 June every year. As the termination of the Sub-Fund falls within the financial year of the Fund, the audit report will cover the terminating Sub-Fund. The contents of the annual report shall comply with the requirements under Chapter 4.5(f) of the Code and Appendix E to the Code and all other applicable provisions of the Code and other applicable laws and regulations.

The annual report will be published on the Manager's website at www.principal.com.hk[1] within four months of the end of the Fund's financial year.

F. Availability of documents

The Explanatory Memorandum will be amended by means of a Fourth Addendum (the "**Fourth Addendum**") to reflect the termination of the Sub-Fund and other consequential, administrative and miscellaneous updates. The Fourth Addendum should be read together with, and forms part of, the Explanatory Memorandum. Unitholders should read the Explanatory Memorandum (including the First, Second, Third and Fourth Addenda) carefully.

No amendment is required to be made to the trust deed of the Fund in respect of the termination of the Sub-Fund. 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 29/F, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong.

The latest version of the Explanatory Memorandum is also available on our website at www.principal.com.hk[1] or may be obtained upon request by contacting our customer service hotline at 2117 8383.

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

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[1] The website has not been reviewed by the SFC.