

<ul style="list-style-type: none"> • <i>This statement provides you with key information about Principal European Equity Fund (“Sub-Fund”).</i> • <i>This statement is a part of the Explanatory Memorandum.</i> • <i>You should not invest in the Sub-Fund based on this statement alone.</i> 																									
Quick facts																									
Fund Manager:	Principal Asset Management Company (Asia) Limited																								
Delegate of the Fund Manager:	Principal Global Investors, LLC (internal delegation, USA)																								
Sub-delegate of the Fund Manager:	Principal Global Investors (Europe) Limited (internal sub-delegation, United Kingdom)																								
Trustee & Custodian:	Principal Trust Company (Asia) Limited																								
Ongoing charges over a year:	<table> <tr> <td>Retail Class Units[^]:</td> <td>1.72%</td> </tr> <tr> <td>Retail Class Units – USD[^]:</td> <td>1.72%</td> </tr> <tr> <td>Retail Class Units – RMB[^]:</td> <td>1.72%</td> </tr> <tr> <td>R2 Class Units[^]:</td> <td>2.22%</td> </tr> <tr> <td>R2 Class Units – USD[^]:</td> <td>2.22%</td> </tr> <tr> <td>R2 Class Units – RMB[^]:</td> <td>2.22%</td> </tr> <tr> <td>R6 Class Units[^]:</td> <td>1.72%</td> </tr> <tr> <td>R6 Class Units – USD[^]:</td> <td>1.72%</td> </tr> <tr> <td>R6 Class Units – RMB[^]:</td> <td>1.72%</td> </tr> <tr> <td>Income Class Units[^]:</td> <td>1.72%</td> </tr> <tr> <td>Income Class Units – USD[^]:</td> <td>1.72%</td> </tr> <tr> <td>Income Class Units – RMB[^]:</td> <td>1.72%</td> </tr> </table>	Retail Class Units [^] :	1.72%	Retail Class Units – USD [^] :	1.72%	Retail Class Units – RMB [^] :	1.72%	R2 Class Units [^] :	2.22%	R2 Class Units – USD [^] :	2.22%	R2 Class Units – RMB [^] :	2.22%	R6 Class Units [^] :	1.72%	R6 Class Units – USD [^] :	1.72%	R6 Class Units – RMB [^] :	1.72%	Income Class Units [^] :	1.72%	Income Class Units – USD [^] :	1.72%	Income Class Units – RMB [^] :	1.72%
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[^] <i>The ongoing charges figure is an estimate only as the relevant class has not yet been launched or is recently launched. The ongoing charges figure represents the sum of the estimated ongoing expenses chargeable to the relevant class over a 12-month period expressed as a percentage of the estimated average net asset value of the relevant class over the same period. The figure may vary from year to year. The actual figure may be different from the estimated figure.</i>																									
Dealing frequency:	Every business day																								
Base currency:	Hong Kong Dollar																								
Dividend policy:	<p>For Retail Class Units and R2 Class Units: No dividend will be declared or distributed.</p> <p>For R6 Class Units and Income Class Units:</p> <ol style="list-style-type: none"> 1. Subject to the Fund Manager’s discretion, the Fund Manager intends to distribute a dividend on a monthly basis. 2. The dividend distributed in respect of the Income Class Units of the Sub-Fund may be paid effectively out of the capital attributable to the Income Class Units of the Sub-Fund (i.e. making the distribution from gross income while charging all or part of the fees and expenses attributable to the Income Class Units to the capital out of such units of the Sub-Fund), subject to the Fund Manager’s discretion, resulting in an increase in distributable income for the payment of dividend by the Income Class Units of the Sub-Fund and may result in an immediate reduction of the net asset value per unit of the Income Class Units of the Sub-Fund. Dividend for R6 Class Units may be paid out of capital. Such payment of dividend out of capital and/or effectively out of capital amounts to a return or withdrawal of 																								

Quick facts (con't)

part of an investor's original investment in the R6 Class Units or Income Class Units or from any capital gains attributable to that original investment.

- Subject to prior approval from the SFC (if required), the Fund Manager may amend the above-mentioned dividend policy in respect of the R6 Class Units or Income Class Units in the future by giving the affected Unitholders not less than one (1) month's notice of such changes.

Financial year end of the Sub-Fund: 31 December

Min. investment: HK\$ 10,000 initial, HK\$ 5,000 additional (or its equivalent in other currencies)

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 capital growth over the long term by investing mainly in European equity markets.

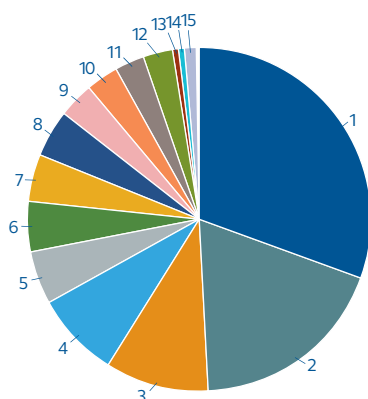
Investment Strategy

The Sub-Fund will invest primarily (at least 70% of its net asset value) in listed equities issued by companies established in Europe or by companies whose shares are listed in Europe or by companies that are listed elsewhere but have substantial business in Europe.

The Sub-Fund may also, on an ancillary basis, hold cash and short-term investments (such as bills and deposits) for cash management purpose.

Save as otherwise disclosed, the Sub-Fund is not subject to any limitation on the portion of its net asset value that may be invested in any country (including emerging market countries), sector or in issuers of any market capitalization.

The Sub-Fund will not enter into any financial futures contracts or any financial option contracts.

Investment Mix as at 31 December 2025


1	United Kingdom Equities	30.6%
2	France Equities	18.7%
3	Netherlands Equities	9.9%
4	Germany Equities	8.0%
5	Switzerland Equities	4.9%
6	Italy Equities	4.7%
7	Ireland Equities	4.5%
8	Greece Equities	4.5%
9	Austria Equities	3.4%
10	Sweden Equities	2.9%
11	Spain Equities	2.8%
12	United States Equities	2.7%
13	Denmark Equities	0.7%
14	Other Equities	0.6%
15	Cash and Time Deposit	1.2%

Note: The Investment mix percentages shown above may not always add up to 100% due to rounding.

Use of derivatives / investment in derivatives

The Sub-Fund will not use derivatives for any purposes.

What are the key risks?

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

- 1. Investment risk** — The Sub-Fund's investment portfolio may fall in value due to any of the key risk factors and therefore your investment in the Sub-Fund may suffer losses. There is no guarantee of the repayment of principal.
- 2. Concentration risk** — The Sub-Fund invests primarily in Europe. The value of the Sub-Fund may be more volatile than Sub-Funds having a more diverse portfolio of investments. Additionally, the value of the Sub-Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the single country or regional markets.
- 3. Market risks** — The Sub-Fund's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors, which may affect the NAV of the Sub-Fund.
- 4. Currency risk** — Underlying investments of the Sub-Fund may be denominated in currencies other than the base currency of the Sub-Fund. Also, a class of units may be designated in a currency other than the base currency of the Sub-Fund. The NAV of the Sub-Fund may be affected unfavorably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.
- 5. Emerging market risk** — The Sub-Fund may invest in emerging markets in Europe which may involve increased risks and 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 higher degree of volatility.
- 6. Risks associated with small-capitalization/mid-capitalization companies** — The stock of small capitalization/mid-capitalization companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalization companies in general. The net asset value of the Sub-Fund investing in such companies may therefore be adversely affected and investors may suffer loss.
- 7. Risks associated with investments/exposure to RMB currency** — RMB is currently not freely convertible and is subject to exchange controls and restrictions. Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies (for example HKD) will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the Sub-Fund. Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors. Under exceptional circumstances, payment of realization and/or distribution payment in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.
- 8. Dividend paid out of capital and/or effectively out of capital** — 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 in respect of the Income Class Units and therefore, the Sub-Fund may effectively pay dividend out of capital. In respect of R6 Class Units, the Fund Manager may pay dividends out of capital. The payment of dividends out of capital and/or effectively out of capital amounts to a return or withdrawal of part of a Unitholder's original investment in the R6 Class Units or Income Class Units or from capital gains attributable to that original investment. Any distributions involving payment of dividend out of capital of the R6 Class Units or effectively out of the capital of the Income Class Units may result in an immediate reduction of its NAV per unit.

How has the Sub-Fund performed?

- As the representative class has not been launched yet, there is insufficient data to provide a useful indication of past performance to investors.
- Fund launch date: 4 August 2008
- Retail Class Units is selected as the most appropriate representative unit class as it is the retail unit class that is denominated in the Sub-Fund's base currency.

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.

Fee	What you pay
Subscription fee	Up to 5% of the amount you buy
Switching fee	4 free switches per year, up to 1% of the issue price of the new class of units to be issued may be levied for subsequent switches
Redemption fee	N/A

- 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.

	Annual rate (as a % of the Sub-Fund's net asset value)
Management fee	1.50% (maximum 2%)
Trustee fee	0.20% (maximum 1%)
Custodian fee	0.01% to 0.50%
Performance fee	N/A
Valuation fee	Up to HK\$1,000 / month
Administration fee	N/A

- 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 "Charges and Expenses" of the Explanatory Memorandum for details.

Additional Information

- You generally may buy and/or redeem units at the Sub-Fund's next-determined net asset value (NAV) after the Fund Manager receives your request in good order on a dealing day before 5:00 p.m. (Hong Kong time) being the Sub-Fund's dealing cut-off time. Before placing your subscription or redemption orders, 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 and published on each dealing day.
- The composition of the dividend (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months for the R6 Class Units and Income Class Units are available from the Fund Manager on request and are also available from the website <http://www.principal.com.hk>*.
- 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.