

SECOND SUPPLEMENTAL INFORMATION MEMORANDUM FOR PRINCIPAL ISLAMIC WHOLESALE SUKUK FUND

Manager : **Principal Islamic Asset Management Sdn Bhd (199101007531 (217841-M))**

Trustee : **HSBC (Malaysia) Trustee Berhad (193701000084 (1281-T))**

This Second Supplemental Information Memorandum is dated 26 February 2024 and is to be read in conjunction with the Information Memorandum Issue No. 1 dated 13 August 2020 and the First Supplemental Information Memorandum dated 5 September 2023 for the Principal Islamic Wholesale Sukuk Fund ("Information Memorandum").

The Fund was constituted on 22 June 2020.

The Securities Commission Malaysia has not authorised or recognised the Fund and a copy of this Second Supplemental Information Memorandum has not been registered with the Securities Commission Malaysia.

The lodgement of this Second Supplemental Information Memorandum should not be taken to indicate that the Securities Commission Malaysia recommends the Fund or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Second Supplemental Information Memorandum.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of Principal Islamic Asset Management Sdn Bhd who is responsible for the Fund and takes no responsibility for the contents in this Second Supplemental Information Memorandum. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Second Supplemental Information Memorandum, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

SOPHISTICATED INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE INFORMATION MEMORANDUM AND THIS SECOND SUPPLEMENTAL INFORMATION MEMORANDUM. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

INVESTORS SHOULD BE AWARE THAT THE CAPITAL OF THE FUND WILL BE ERODED WHEN THE FUND DECLARES DISTRIBUTION OUT OF CAPITAL AS THE DISTRIBUTION IS ACHIEVED BY FORGOING THE POTENTIAL FOR FUTURE CAPITAL GROWTH AND THIS CYCLE MAY CONTINUE UNTIL ALL CAPITAL IS DEPLETED.

THIS IS A SECOND SUPPLEMENTAL INFORMATION MEMORANDUM WHICH HAS TO BE READ IN CONJUNCTION WITH THE INFORMATION MEMORANDUM

1.0. GENERAL

- 1.1. This Second Supplemental Information Memorandum is issued to reflect the amendments made to the Information Memorandum as stated under paragraphs 2, 3, 4, 5, 6, 7, 8 and 9 below.
- 1.2. All terms used in this Second Supplemental Information Memorandum shall have the same meanings as those defined in the Definitions Chapter of the Information Memorandum unless where the context otherwise requires.
- 1.3. All information provided herein is practicable as at 31 January 2024 and shall remain current and relevant as at such date.

2.0. ABOUT THIS DOCUMENT

- 2.1. The following paragraphs have been inserted under the section of **"About This Document"** at the inside cover:

The Securities Commission Malaysia has not authorised or recognised the Fund and a copy of the Information Memorandum Issue No. 1 dated 13 August 2020 and the First Supplemental Information Memorandum dated 5 September 2023 ("Information Memorandums") have not been registered with the Securities Commission Malaysia.

The lodgement of the Information Memorandums should not be taken to indicate that the Securities Commission Malaysia recommends the Fund or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in the Information Memorandums.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of Principal Islamic Malaysia who is responsible for the Fund and takes no responsibility for the contents in the Information Memorandums. The Securities Commission Malaysia makes no representation on the accuracy or completeness of the Information Memorandums, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of their contents.

3.0. DEFINITIONS

- 3.1. The definition of "Sophisticated Investor(s)" under the section of **"Definitions"** at page iii has been replaced and read as below:

- Sophisticated Investor(s)
- Refers to investors as we determine as qualified or eligible to invest in the Fund and that fulfil any laws, rules, regulations, restrictions or requirements imposed by the respective country's regulators where the Fund is open for sale. For investors in Malaysia, this refers to any person who:
 - (i) Is determined to be a sophisticated investor under the SC's Guidelines on Categories of Sophisticated Investors, as amended from time to time; or
 - (ii) acquires any capital market products where the consideration is not less than MYR250,000 or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise, and/or any other category(ies) of investors as may be permitted by the SC from time to time.

Note: For more information, please refer to our website at www.principal.com.my for the current and/or updated definition and categories of "Sophisticated Investor".

4.0. TRANSACTION INFORMATION

- 4.1. The textbox under the section of **"How to invest?"** at page 11 has been replaced and read as below:

You should not make any payment directly or indirectly to any individual agent or employee of the Manager or issue a cheque in the name of an individual agent or employee of the Manager when purchasing this Fund.

- 4.2. The following paragraphs have been inserted immediately after the fourth paragraph under the section of **"Distribution Payment"** at page 12:

The Fund may distribute from realised income, realised capital gains, unrealised income, unrealised capital gains, capital or a combination of any of the above. Distributions are at our discretion and are not guaranteed, and the making

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of any distribution does not imply that further distributions will be made and we reserve the right to vary the frequency and/or amount of distributions. Distribution out of capital is to allow the Fund the ability to distribute income according with the Fund's defined frequency or to pursue the investment objective of the Fund. The effects of making distribution out of capital has a risk of eroding the capital of the Fund.

After taking into consideration the level of capital and performance of the Fund and subject to healthy cash flow of the Fund, any distribution out of capital we make, we will ensure that proper decisions can be made in reducing cost and to ensure stability and sustainability of distribution of income for the Fund without generating any additional risk to the Fund.

Distribution out of capital represent a return or withdrawal of part of the amount of your original investment and/or capital gains attributable to the original investment and will result in a reduction in the NAV per unit of the Classes and reduce the capital available for future investment and capital growth. Future capital growth may therefore be constrained and the value of future returns would be diminished.

4.3 The note disclosure under the section of “**Distribution Payment**” at page 12 has been replaced and read as below:

***Note:** Please note that for Class(es) that provide distribution, we have the right to make provisions for reserves in respect of distribution of the Class. If the income available is too small or insignificant, any distribution may not be of benefit to you as the total cost to be incurred in any such distribution may be higher than the amount for distribution. We have the discretion to decide on the amount to be distributed to you. We also have the discretion to make income distribution on an ad-hoc basis, taking into consideration the level of its realised income, realised gains and/or capital, as well as the performance of the Fund.*

5.0. ADDITIONAL INFORMATION

5.1. The information under the section of “**Termination of Fund and/or Any of the Classes**” at page 14 has been replaced and read as below:

Subject to the provision set out below, the Fund and/or any of the Classes may be terminated or wound-up without the need to seek Unit holders' prior approval as proposed by us with the consent of the Trustee (whose consent shall not be unreasonably withheld) upon the occurrence of any of the following events, by giving not less than one (1) month's notice in writing to the Unit holders as hereinafter provided (i) if any law shall be passed which renders it illegal or (ii) if in our reasonable opinion it is impracticable or inadvisable to continue the Fund and/or Class.

A Class may be terminated by Unit holders if a Special Resolution is passed at a Unit holders' meeting of that Class to terminate or wind-up that Class provided always that such termination or winding-up of that Class does not materially prejudice the interest of any other Class in the Fund

6.0. THE TRUSTEE

6.1. The third paragraph under the section of “Trustee's Delegate” at page 6 of the First Supplement Information Memorandum has been replaced and read as below:

However, the Trustee is not liable for the acts, omissions or failure of third party depository such as central securities depositories, or clearing and/or settlement systems in any circumstances.

7.0. ANNEXURE – CLASS A

7.1 The information under the section of “**Distribution policy**” at page 21 has been replaced and read as below:

Distribution policy	Distributions (if any) will be on a quarterly basis. The Manager has the right to make provisions for reserves in respect of distribution of the Class. If the distribution available is too small or insignificant, any distribution may not be of benefit to the Unit holders as the total cost to be incurred in any such distribution may be higher than the amount for distribution. The Manager has the discretion to decide on the amount to be distributed to the Unit holders. The Manager also has the discretion to make income distribution on an ad-hoc basis, taking into consideration the level of the distributable income of the Fund, as well as the performance of the Fund. Note: <i>The Class may distribute income from realised income, realised capital gains, unrealised income, unrealised capital gains, capital and/or a combination of any of the above. We reserve the right to vary the frequency and/or amount of distributions.</i>	12
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8.0. ANNEXURE – CLASS B

8.1 The information under the section of “**Distribution policy**” at page 24 has been replaced and read as below:

Distribution policy	Distributions (if any) will be on a quarterly basis. The Manager has the right to make provisions for reserves in respect of distribution of the Class. If the distribution available is too small or insignificant, any distribution may not be of benefit to the Unit holders as the total cost to be incurred in any such distribution may be higher than the amount for distribution. The Manager has the discretion to decide on the amount to be distributed to the Unit holders. The Manager also has the discretion to make income distribution on an ad-hoc basis, taking into consideration the level of the distributable income of the Fund, as well as the performance of the Fund. Note: <i>The Class may distribute income from realised income, realised capital gains, unrealised income, unrealised capital gains, capital and/or a combination of any of the above. We reserve the right to vary the frequency and/or amount of distributions.</i>	12
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9.0. ANNEXURE – CLASS C

9.1 The information under the section of “**Distribution policy**” at page 27 has been replaced and read as below:

Distribution policy	Distributions (if any) will be on a quarterly basis. The Manager has the right to make provisions for reserves in respect of distribution of the Class. If the distribution available is too small or insignificant, any distribution may not be of benefit to the Unit holders as the total cost to be incurred in any such distribution may be higher than the amount for distribution. The Manager has the discretion to decide on the amount to be distributed to the Unit holders. The Manager also has the discretion to make income distribution on an ad-hoc basis, taking into consideration the level of the distributable income of the Fund, as well as the performance of the Fund. Note: <i>The Class may distribute income from realised income, realised capital gains, unrealised income, unrealised capital gains, capital and/or a combination of any of the above. We reserve the right to vary the frequency and/or amount of distributions.</i>	12
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