

2 January 2020

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 (“PAMC (Asia)”, “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 its knowledge and belief there are no other material facts the omission of which would make any statement 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. We would like to inform you of the following changes in respect of the Fund, which will take immediate effect.

1. Changes in relation to the Revised Fund Manager Code of Conduct

As background, the Manager is licensed by the Hong Kong Securities and Futures Commission (the “SFC”) for type 4 (advising on securities) and type 9 (asset management) regulated activities and accordingly is subject to regulation by the SFC, including the SFC’s Fund Manager Code of Conduct (the “Fund Manager Code”). The SFC has revised the Fund Manager Code to include certain disclosure obligations on companies licensed by the SFC for type 9 regulated activity in relation to funds they manage.

The Explanatory Memorandum of the Fund has been revised to reflect the requirements of the revised Fund Manager Code which include enhanced disclosure of information relating to the Manager having no intention to enter into any securities lending agreement, repurchase agreement and reverse repurchase transactions in respect of any Sub-Fund, no leverage being incurred from the use of financial derivative instruments, the licensing status of the Manager, risk management process and conflicts of interest.

2. Changes in relation to the Revised SFC’s Code on Unit Trusts and Mutual Funds

The Fund is authorised by the SFC in Hong Kong and accordingly is subject to the SFC’s Code on Unit Trusts and Mutual Funds the (“UT Code”). The SFC has revised the UT Code with an aim to update the regulatory regime for SFC-authorised funds and address the risks posed by financial innovation and other developments.

The Explanatory Memorandum of the Fund has been revised to reflect the requirements of the revised UT Code and the Guide on Practices and Procedures for Application for Authorization of Unit Trusts and Mutual Funds (the “Guide”) and the changes made to the disclosure of information include but not limited to the following:

- (i) updating of the definition of “connected persons”;
- (ii) enhancement of disclosures on the investment objectives of certain sub-funds of the Fund, namely Principal Asian Equity Fund, Principal International Bond Fund, Principal International Equity Fund and Principal U.S. Equity Fund (the “Sub-Funds”) by disclosing that each Sub-Fund may enter into financial futures contracts, financial option contracts and currency forward contracts for hedging purpose in order to align with the disclosures in the existing KFS regarding the use of certain financial derivative instruments and to clarify the investments in certain financial derivative instruments as permissible under the MPF Regulation and UT Code;
- (iii) addition of risk associated with financial derivative instruments and liquidity risk;
- (iv) enhancement of investment and borrowing restrictions applicable to the Fund and its sub-funds;

- (v) enhancement of general obligations of the Trustee;
- (vi) the alignment of wordings in respect of the Manager's discretion to limit the redemption requests;
- (vii) enhancement of the Manager's obligations in relation to valuation and pricing;
- (viii) the alignment of wordings in respect of the Manager's power to suspend the determination of net asset value of any Sub-Fund;
- (ix) addition of disclosure relating to the Manager's obligations in the event of suspension of dealings;
- (x) enhancement of disclosures relating to cash rebates and soft commissions to reflect that the sub-delegates of the Manager will also be subject to the relevant restrictions;
- (xi) enhancement of disclosures relating to the preparation of accounts and financial reports;
- (xii) enhancement of disclosures relating to the publication of net asset value per unit;
- (xiii) enhancement of disclosure relating to the removal of the Manager;
- (xiv) addition of disclosure relating to the handling of unclaimed proceeds of Unitholders during the termination process;
- (xv) enhancement of disclosure relating to the modification of trust deed; and
- (xvi) enhancement of disclosure relating to the conflicts of interests.

The sub-section headed "Investment Strategy" under the "Objective and Investment Strategy" in the product key fact statements ("KFS") of the Sub-Funds have been updated to disclose that the relevant Sub-Fund may also enter into currency forward contracts for hedging purpose to clarify the investments in certain financial derivative instruments as permissible under the MPF Regulation and UT Code. In addition, the section headed "Use of derivatives / investment in derivatives" in the KFS of the Sub-Funds have also been updated to align with the disclosure requirement as provided in the KFS illustrative templates for general funds. Given that the Sub-Funds may enter into financial futures contracts, financial option contracts and currency forward contracts for hedging purposes, the net derivative exposure of each relevant Sub-Fund may be up to 50% of such Sub-Fund's net asset value.

3. Other miscellaneous updates

Previous addenda have been incorporated into the Explanatory Memorandum of the Fund. Apart from the changes set out above, other changes have also been made to the Explanatory Memorandum of the Fund including but not limited to:-

- (i) update to the address of the legal adviser to the Manager;
- (ii) update to the directors of Manager;
- (iii) enhancement of risk disclosure relating to investment in the China Interbank Bond Market;
- (iv) update to disclosure relating to Foreign Account Tax Compliance Act by removing the withholding requirements on gross proceeds from the sale of US securities;
- (v) removal of outdated information relating to the total assets under management of the Manager;
- (vi) update to the disclosure relating to the initial issue of units;
- (vii) updating the Manager's address for inspection of documents as "30/F, Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Kowloon"; and
- (viii) other editorial amendments and miscellaneous changes.

A new sub-section headed "Automatic exchange of financial information" has also been included under the section headed "General information" of the Explanatory Memorandum, as summarised below.

Financial institutions in Hong Kong and many other jurisdictions are required to identify account holders who are reportable foreign tax residents for the purpose of Automatic Exchange of Financial Account Information ("AEOI"), and report the information of account holders and controlling persons of certain entity account holders, including but not limited to their names, addresses, dates of birth, places of birth/incorporation, jurisdiction(s) of tax residence, tax identification number(s) in the relevant jurisdiction(s) and account information (including but not limited to their

account balance, income, and payments to the account holders) (collectively, the “**Reportable Information**”) to the local tax authority where the financial institutions operate.

The Fund is a Hong Kong financial institution for AEOI purposes. As required under AEOI of Hong Kong, the Fund will provide the Reportable Information of any individual or entity, in the capacity as a Unitholder, to the Inland Revenue Department (the “**IRD**”) for transfer to the tax authority of the country of tax residence of the reportable foreign tax resident.

The Fund and/or any of its authorised person(s) may require any “account holder” under AEOI to provide a valid self-certification form and such other information (including the Reportable Information and any documentary evidence) which the Fund and/or any of its authorised person(s) may require from time to time for the implementation of AEOI (collectively, the “**Required Information**”). In addition, where the “account holder” is an entity, the Fund and/or its authorised person(s) may require the Required Information of its “controlling person(s)”.

Each Unitholder acknowledge that where required by AEOI and to the extent not prohibited by applicable law, the Fund will not accept any applicant or make any payment to any “account holder” (in the capacity of a Unitholder) before receiving the Required Information. “Account holders” and “controlling persons” must update the Fund and/or any of its authorised person(s) about any changes in the information they have previously provided to the Fund and/or any of its authorised person(s).

Unitholders and any other “account holders” and “controlling persons” should consult their own tax advisers regarding the possible implications of AEOI on their participation and holding interests in the Fund and the information that may be required to be provided and disclosed to the Fund and/or any of its authorised person(s), and where applicable, to the IRD and other tax authorities.

4. **Amendments to the Trust Deed**

The Trust Deed is amended by way of Amended and Restated Trust Deed to conform with the revised requirements of the UT Code and the Guide. The related amendments include but not limited to the following:

- (i) the updating of the definition of “connected persons”;
- (ii) the custody arrangements in respect of the Fund’s assets;
- (iii) the alignment of wordings in respect of the Manager’s discretion to limit the redemption requests;
- (iv) enhancement of the Manager’s obligations in relation to valuation and pricing;
- (v) enhancement of the Manager’s obligations in the event of suspension of dealings;
- (vi) removal of provisions relating to changes to dealing;
- (vii) enhancement of investment and borrowing restrictions applicable to the Fund and its sub-funds;
- (viii) enhancement of general obligations of the Trustee;
- (ix) enhancement of general obligations of the Manager;
- (x) enhancement of provisions relating to the appointment, removal and retirement of the Manager;
- (xi) addition of provision relating to the arrangement of class meetings when there is conflict of interest between different classes of Unitholders;
- (xii) enhancement of provisions relating to the variation of the Trust Deed; and
- (xiii) the alignment of wordings in respect of transactions with connected persons.

The Trust Deed has also been updated to include provisions relating to Automatic Exchange of Financial Information and certain miscellaneous changes.

5. **Fees and costs in connection with the proposed changes to the Revised Explanatory Memorandum, KFS and the Trust Deed**

The fees and costs in connection with the above changes (including amendments to the Explanatory Memorandum) will be borne by the relevant Sub-Funds.

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All changes described above will not have any adverse impact on Unitholders.

Please note that all information provided herein is qualified in its entirety by the Explanatory Memorandum. The changes described above are in summary form only and are not meant to be an exhaustive list of the amendments made to the Explanatory Memorandum. Unitholders should note that there are other ancillary and editorial changes and updates to the Explanatory Memorandum and as such, should review the latest Explanatory Memorandum for further details on the changes made.

You may access the updated Explanatory Memorandum and Product Key Facts Statement on our website at www.principal.com.hk or request a copy of it by contacting our customer service hotline at 2117 8383. The Trust Deed (as amended from time to time) may be inspected free of charge during normal working hours at our office. You may also obtain a copy of the Trust Deed upon payment of a reasonable fee.

Terms used in this Notice have the same meaning as in the latest version of the Explanatory Memorandum of the Fund, 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

2020年1月2日

此乃重要通知，請即處理。閣下如對本通知的內容有任何疑問，應諮詢獨立的專業意見。

信安資金管理（亞洲）有限公司（「信安資金管理（亞洲）」、「我們」及「本公司」）就本通知所載內容的準確性承擔全部責任，並在作出一切合理查詢後確認，盡其所知及所信，並無遺漏其他重要事項會致使本通知任何陳述於刊發之日具有誤導性。

致單位持有人：

有關：信安豐裕人生基金（「基金」）

感謝閣下一直以來的支持。我們茲通知閣下基金的下列變動，相關變動應立即生效。

1. 有關經修訂的《基金經理操守準則》的變更

作為背景資料，基金經理獲香港證券及期貨事務監察委員會（「證監會」）發牌進行第4類（就證券提供意見）及第9類（提供資產管理）受規管活動，並因而受證監會之規管，包括證監會發佈的《基金經理操守準則》（「基金經理準則」）。證監會已修訂基金經理準則，加入獲證監會發牌進行第9類受規管活動的公司關於其管理基金的若干披露責任。

基金說明書已經作出修訂，以反映經修訂基金經理準則的要求，包括加強披露與基金經理無意就本任何子基金簽訂任何證券借出協議、回購協議及逆向回購交易、運用金融衍生工具而未產生槓桿作用、基金經理的持牌狀況、風險管理流程以及利益衝突有關的資料。

2. 有關經修訂證監會《單位信託及互惠基金守則》的變更

基金獲香港證監會授權，並因而受證監會《單位信託及互惠基金守則》（「單位信託守則」）之規管。證監會已修訂單位信託守則，旨在更新證監會授權基金的監管制度，並化解由金融創新及其他發展動態造成的風險。

基金說明書已作出修訂，以反映經修訂單位信託守則以及單位信託及互惠基金認可申請的常規及程序指南（「指南」）的要求，以及對資料披露作出的變更，包括但不限於：

- (i) 更新對「關連人士」的定義；
- (ii) 通過披露各子基金（定義見下文）可為對沖目的訂立金融期貨合約、金融期權合約及外匯遠期合約，以加強對基金的若干子基金，即信安亞洲股票基金、信安國際債券基金、信安國際股票基金及信安美國股票基金（「子基金」）之投資目標的披露，以致與現有的產品資料概要中有關使用若干金融衍生工具的披露相一致，並釐清強積金規例和單位信託守則所允許對若干金融衍生工具作出的投資；
- (iii) 加入金融衍生工具相關風險及流動性風險；
- (iv) 加強適用於基金及其子基金的投資及借貸限制；
- (v) 加強受託人的一般責任；
- (vi) 就基金經理對限制贖回要求的酌情決定權保持措辭相一致；
- (vii) 加強基金經理有關估值及定價的責任；
- (viii) 就基金經理暫停釐定任何子基金資產淨值的權力保持措辭相一致；
- (ix) 加入與基金經理在交易暫停情況下的責任有關的披露；
- (x) 加強與現金回扣及非金錢佣金有關的披露，以反映基金經理的分獲轉授人亦受到相關限制的規限；
- (xi) 加強與編製賬目及財務報告有關的披露；

- (xii) 加強與刊登每單位的資產淨值有關的披露；
- (xiii) 加強與撤免基金經理有關的披露；
- (xiv) 加入與處理終止流程中單位持有人未領取收益有關的披露；
- (xv) 加強與修改信託契據有關的披露；及
- (xvi) 加強與利益衝突有關的披露。

子基金產品資料概要「目標及投資策略」一節下的「投資策略」分節已更新，披露相關子基金亦可為對沖目的訂立外匯遠期合約，以釐清強積金規例和單位信託守則所允許的若干金融衍生工具之投資。此外，子基金產品資料概要「運用衍生工具/投資衍生工具」一節亦已更新，以與針對一般基金的产品資料概要示例模板所規定的披露要求相一致。鑑於子基金可為對沖目的而訂立金融期貨合約、金融期權合約及外匯遠期合約，各相關子基金的衍生工具風險承擔淨額最多可達該子基金資產淨值的 50 %。

3. 其他雜項更新

之前的附件已被加入基金說明書中，除上述變更外，基金說明書亦作出其他變更，包括但不限於：

- (i) 更新基金經理的法律顧問地址；
- (ii) 更新基金經理的董事；
- (iii) 加強與中國銀行間債券市場投資有關的風險披露；
- (iv) 通過刪除對出售美國證券所得款項總額的預扣要求以更新與《外國賬戶稅務合規法案》有關的披露；
- (v) 刪除與基金經理所管理總資產有關的過時資料；
- (vi) 更新與單位的首次發行有關的披露；
- (vii) 將用於查閱文件的基金經理地址更新為「香港九龍觀塘觀塘道 392 號創紀之城 6 期 30 樓」；及
- (viii) 其他編輯修訂及雜項變更。

基金說明書「一般資料」一節下亦已被加入標題為「自動交換財務資料」的新分節概述如下。

香港及許多其他司法管轄區的金融機構須對身為就自動交換財務賬戶資料（「自動交換資料」）進行申報的外國納稅居民的賬戶持有人加以識別，並向金融機構運營所在的地方稅務機關報送賬戶持有人及若干實體賬戶持有人的控權人士的資料（包括但不限於其姓名、地址、出生日期、出生/註冊成立地點、稅收居所的司法管轄區、相關司法管轄區的納稅識別編號）以及賬戶資料（包括但不限於其賬戶結餘、收入及對賬戶持有人作出的付款）（統稱為「可報告資料」）。

基金就自動交換資料而言為香港金融機構。根據香港自動交換資料的規定，基金將以單位持有人的身份，向稅務局報送任何個人或實體的可報告資料，以將該資料轉交給須申報的外國納稅居民之稅收居所所在國家的稅務機關。

基金及/或其任何獲授權人士可要求自動交換資料下的任何「賬戶持有人」提供有效的自我證明表格以及基金及/或其任何獲授權人士就實施自動交換資料不時要求的其他資料（包括可報告資料及任何文件證據）（統稱「必要資料」）。此外，倘「賬戶持有人」為實體，則基金及/或其獲授權人士可要求提供其「控權人士」的必要資料。

各單位持有人知悉，倘自動交換資料要求及在適用法律未禁止的範圍內，基金在收到必要資料之前，將不會（以單位持有人的身份）接受任何申請人或向任何「賬戶持有人」作出任何付款。「賬戶持有人」及「控權人士」必須將其先前已提供予基金及/或其任何獲授權人士的資料的任何變更告知基金及/或其任何獲授權人士。

有關自動交換資料對其參與基金及持有基金權益可能產生的影響以及可能須向基金及/或其任何獲授權人士以及（如適用）稅務局及其他稅務機關提供及披露的資料，單位持有人及任何其他「賬戶持有人」及「控權人士」應諮詢其稅務顧問。

4. 信託契據的修訂

信託契據已藉經修訂及重新訂明的信託契據予以修訂，以符合單位信託守則及指南的經修訂要求。相關修訂包括但不限於：

- (i) 更新對「關連人士」的定義；
- (ii) 與基金資產有關的託管安排；
- (iii) 就基金經理對限制贖回要求的酌情決定權保持措辭相一致；
- (iv) 加強基金經理有關估值及定價的責任；
- (v) 加強在暫停交易情況下基金經理的責任；
- (vi) 刪除與交易變更有關的條文；
- (vii) 加強適用於基金及其子基金的投資及借貸限制；
- (viii) 加強受託人的一般責任；
- (ix) 加強基金經理的一般責任；
- (x) 加強與基金經理的委任、撤免及退任有關的條文；
- (xi) 加入在不同類別單位持有人之間發生利益衝突時，與安排類別會議有關的條文；
- (xii) 加強與修改信託契據有關的條文；及
- (xiii) 就與關連人士有關的交易保持措辭一致。

信託契據亦已更新，以加入與自動交換財務資料有關的條文以及若干雜項變更。

5. 與經修訂基金說明書、產品資料概要及信託契據擬定變更有關的費用及成本

與上述變更（包括對基金說明書的修訂）有關的費用及成本將由相關子基金承擔。

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上述所有修訂將不會對單位持有人有任何不利影響。

請注意，本通知所提供所有資料均受基金說明書限制。上述變更僅為概述，並未詳盡列出對基金說明書所作全部修訂。單位持有人應注意，基金說明書尚有其他補充及編輯變更及更新，因此其應審閱最新的基金說明書，了解所作變更的進一步詳情。

閣下可瀏覽我們的網站 www.principal.com.hk 查閱更新的基金說明書及產品資料概要，或致電我們的客戶服務熱線 2117 8383 索取副本。信託契據（經不時修訂）可於正常營業時間在我們的辦事處免費查閱。閣下亦可在支付合理費用後獲得信託契據副本。

除非本通知另有說明，否則本通知中所用的詞彙具有與基金的基金說明書最新版本所載的相同涵義。

如閣下對上述更改有任何疑問，請致電上述我們的客戶服務熱線。

信安資金管理（亞洲）有限公司