

Independent Oversight Entity (IOE) Report for the year 2025
Principal Asset Management Co., Ltd.

Objective

This report is prepared in accordance with the Notification of the Capital Market Supervisory Board concerning the standards for the mutual fund management business (Tor Thor. 49/2562), which became effective on 1 July 2020.

The notification requires asset management companies to monitor and oversee mutual fund management activities to prevent:

- (1) Actions that may give rise to conflicts of interest,
- (2) Actions that may be considered unfair, and
- (3) Actions that may result in investors not receiving their entitled benefits.

No.	Subject	Scope of Testing	Frequency of Testing	Result	Corrective Action/ Remarks
Investment Department					
1	Stock selection and the approval of stock universe	Check the investment limit when FM request to approve access limit on CRD system including review the stock universe when adding a new stock or removing the existing stock.	Annually	The stock selections were approved by Investment Committee prior to initial investment.	IOE(2)
2	Broker/Dealer Selection, Broker Scoring, and allocation of orders for securities brokers	- Check the agenda of Broker/Dealer Selection: The rationale for the broker rating should be completely documented. and allocation of orders for securities brokers in IC minute (churning, volume trade). In the case of allocation of orders for securities have a standard deviation more than 5%, the investment team will give reasons and request for approval from the Investment Committee. - Check the broker/dealer selection criteria is at least in line with SEC notifications.	Annually	Broker ranking documentation was complete with supporting evidence. The allocation of orders are in line with the approval of Investment Committee.	IOE(3)+(4)

No.	Subject	Scope of Testing	Frequency of Testing	Result	Corrective Action/ Remarks
3	Fair allocation of securities (including IPO)	Check the ratio/reason of securities allocation to the fund and keeping all evidence and records of reasons for consideration whether it is in accordance with the proportion determined by the fund manager or not, according to the policy specified in the prospectus or not and record retention process.	Annually	Securities allocations were consistent with the fund managers' written records for the rationale of securities allocation.	IOE(2)
4	The investment according to Investment Policy/Mandate/Strategy/Commitment	Check the current portfolio if the investment securities and portion is in accordance with investment policy/mandate/strategy/commitment (factsheet) - Review the current benchmark of the funds that they are in line with the factsheet and fund prospectus.	Semi-annually	The investment securities and portions are in accordance with investment policy. Fund benchmarks were aligned with those stated in the factsheet and prospectus and were updated consistently across all reviewed funds including the fee charged to the funds are in line with fund strategy and internal guideline.	IOE(2)

No.	Subject	Scope of Testing	Frequency of Testing	Result	Corrective Action/ Remarks
5	Outsource and Service Provider	- Check that the outsourcing process were documented and inline with SEC notification as well as internal policy/procedures. - Check that the selection of advisor/sub-managers were duly conducted. Those managers were reviewed on a periodic basis and the fee charged to the fund is proper. - Check that trustee selection/appointment is inline with SEC notifications.	Annually	Investment Outsource <ul style="list-style-type: none"> • Principal iPROPEN partially outsource sub-manager to Principal Real Estate Investors LLC and Principal GSTEP partially outsourced fund manager to Amundi Asset Management. • AMC has disclosed the investment management outsourcing in the fund prospectus, and the performance and duties are reviewed in accordance with the internal process according to SEC. • There are 7 custodians having conduct the due diligence process on a regular basis. • A new PVD registrar outsourcing arrangement occurred during this year. The due diligence and contract review were conducted in accordance with SEC requirements and the Personal Data Protection Act. The outsourcing reporting to the SEC was also completed within the timelines prescribed by the regulations. 	IOE(3)

No.	Subject	Scope of Testing	Frequency of Testing	Result	Corrective Action/ Remarks
6	Proxy Voting	<ul style="list-style-type: none"> -Verify the correctness between the guidelines for voting that have been approved by the Investment Committee and Proxy Voting report. -Check that investment team exercised the voting rights for the funds completely. -Check the agreement if private/provident funds would like to vote by themselves and the fund manager's comment should be in place on this voting exercise. - Review the voting right report that must be complete and correct. 	Annually	<p>Based on the review, the processes and documentation related to the exercise of voting rights were found to be accurate, complete, and consistent with the voting guidelines including private funds and provident funds agreements.</p> <p>Voting is in line with the approval of Investment Committee and is completely disclosed.</p>	IOE(6)

No.	Subject	Scope of Testing	Frequency of Testing	Result	Corrective Action/Remarks
Conflict of Interest					

7	Insider trading review	<p>-Check securities holdings and transactions of employees to be in accordance with the company policy.</p> <p>-Check whether fund manager or other access staff use inside information for securities trading. In the suspicious case, the Company will investigate the use of the Company's information for personal or other interest.</p>	Semi-annually	<p>Based on the review of policies, information-access controls, telephone communications, securities trading, and whistleblowing channels, no behaviors or transactions indicative of insider trading or conflicts of interest were identified.</p> <p>All staffs declare their securities holding according to the personal account dealing policy. They are required to sign the confidentiality agreement and declare their securities holding annually.</p> <p>The sampling of voice recordings and trading activities of Access Persons, fund managers, and dealers revealed no signs of abnormal risk.</p> <p>Internal control measures and monitoring mechanisms, such as door access, system access logs, and employee training, were found to be operating appropriately and effectively.</p>	IOE(1)
8	Crossing trade	<p>-Check the transaction that comply with SEC's notification. Including checking the report and disclosure of such information on the company's website.</p> <p>-Check the reasonable rationale of related party transaction and the appropriate pricing. The rationale must be documented.</p> <p>-Reviewing the sufficient evidence of transactions</p>	Semi-annually	<p>The company has no cross-trade transactions among the funds, and all transactions are executed at reasonable prices in accordance with SEC requirements. In addition, cross-trade disclosures are published on the Company's website on a monthly basis in compliance with internal policies and procedures.</p>	IOE(1)

9	Affiliated Transaction	<p>-Check the transaction that comply with SEC's notification or not (IM paper)/letter submit to trustee (if any)</p> <p>-Check the reasonable rationale of related party transaction and the appropriate pricing. The rationale must be documented.</p> <p>-Review the sufficient evidence of transactions showing that proceeding at Arms' length principle and with transparency.</p>	Semi-annually	<p>The company discloses affiliated transaction reports monthly on its website and lists related parties in the Prospectus, Annual Report, and Semi-Annual Report.</p> <p>The company has transactions that provident funds and private funds invest in mutual funds under management which is a transaction with a related person with approval from customers and in accordance with the investment policy of the provident fund and private fund.</p>	IOE(1)
10	Soft Commission	Check the soft commission which disclosed in annual report of fiscal year and the six-month period report	Annually	The Company received some soft commission in form of analysis and research, IPO subscription rights which are compliance with regulation. The soft commission is disclosed in six-month-period report and annual report.	IOE(3)+(4)

Fund Operations Department					
11	Fund Expense and Fee	<ul style="list-style-type: none"> - Check the actual funds' expense according to the fund prospectus. - Check the liquidator fee, in case of fund were dissolved. - In case of fee/expenses were sudden spike in any fund, the rationale should be concrete and duly documented. - Check the fee and expense should be in line with their fund strategy and internal guideline. 	Semi-annually	<p>The expenses are recorded according to the terms and conditions in the fund's prospectus.</p> <p>The fee charged to the funds are in line with fund strategy and internal guideline.</p> <p>The fund expense were in line with the fee caps stated in the prospectus, and no over-charging was identified. The management fees applied were consistent with the internal framework and no set-up fees were charged for the funds terminated and newly established funds.</p>	IOE(3)+(4)+(5)
12	Dividend payment	Check whether the Fund Operation Department calculates the correct dividend payment as specified in the prospectus or not.	Annually/ ICE	Dividend payments are in line with funds policy.	IOE(2)

13	Mark to market securities and fair price (including illiquid asset)	<ul style="list-style-type: none"> - Review the mark to market process which is in accordance with regulations/prospectus - Review forward pricing , if any - Check non-tier asset against MF01/A2 and the pricing using - Check the minutes of VOC/IC meeting, if any. 	Annually	<p>The mark-to-market process is performed in accordance with the applicable regulations and fund prospectus, and no illiquid securities were identified.</p> <p>The calculation and the net asset value (NAV) announcement, unit value, and unit price of feeder funds or fund of funds were aligned with the forward-pricing principle. These requirements are disclosed in the fund prospectus and comply with AIMC guidelines.</p>	IOE(1)
Mutual Fund					
14	Seeking for resolution (counting vote of unitholders)	Check related document (letter to unitholder, vote counting (soft file and paper), newspaper announcement, letter to trustee and SEC)	Annually/ICE	PRINCIPAL GEF has made additions and amendments to its prospectus. The process for obtaining unitholders' resolutions, including vote counting and the related documentation, is in accordance with SEC regulations and is carried out in the best interests of the unitholders.	IOE(2)
15	Review the declaration of giving and receiving Gift, Entertainment, Sponsored	<ul style="list-style-type: none"> -Check the staff declaration of Gift & Entertainment to comply with the company policy. -Check the bribery red flag with payment/reimbursement and the receivable. -Check the condition of Anti Bribery Corruption for third parties with Fund Distributor Due Diligence Form and that is according with Group Policy 	Annually	<p>All reviewed Given and Received items, sampled expenses transaction across 4 groups ; (Vendors, Connected Persons, Government, and Regulators) and gift and entertainment transactions were properly documented and approved in accordance with the Company's delegation of authority, with no exceptions identified.</p> <p>Third-party oversight remains effective, with Anti-Bribery and Corruption Policy requirements ; Selling Agent into due diligence reviews and embedded in all relevant third-party agreements.</p>	IOE(3)+(4)

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- IOE(1) **Related Parties Transactions and investment in illiquid securities**
การซื้อขายผลิตภัณฑ์ในตลาดทุนและตราสารทางการเงินกับบุคคลที่เกี่ยวข้อง การซื้อขายผลิตภัณฑ์ในตลาดทุนและตราสารทางการเงินที่ไม่มีราคาตลาดหรือไม่มีสภาพคล่อง
- IOE(2) **Investment Managements**
วิธีการบริหารจัดการกองทุนรวม
- IOE(3) **Service Provider Selection and Service Review**
การคัดเลือกและติดตามการให้บริการของผู้ให้บริการ
- IOE(4) **Broker/Dealer Allocation**
การส่งคำสั่งซื้อขายผลิตภัณฑ์ในตลาดทุนและตราสารทางการเงิน
- IOE(5) **Fee and Expense**
การเก็บค่าธรรมเนียมและค่าใช้จ่ายของกองทุน
- IOE(6) **Proxy Voting**
การใช้สิทธิออกเสียงในที่ประชุมผู้ถือหุ้นหลักทรัพย์