

No. M_PDS 0019-3/2025

21 May 2025

RE: To seek the resolution approving from unitholders of Principal Global Equity Fund, Exclusive Class (PRINCIPAL GEF-X) to amend the project details regarding the addition/change of investment policy in derivatives including relevant Information.

Attention: Unitholders

Enclosures 1) Table of Comparison on the Amendment of Details of Fund Project
2) Letter of Resolution Approving the amendment of the Principal Global Equity Fund, Exclusive Class (PRINCIPAL GEF-X) to amend the project details regarding the addition/change of investment policy in derivatives including relevant Information.
3) Power of Attorney for passing the Resolution Approving to amendment of the Principal Global Equity Fund, Exclusive Class (PRINCIPAL GEF-X) to amend the project details regarding the addition/ change of investment policy in derivatives including relevant Information.
4) Envelop of the business letter's return mail

As Principal Asset Management Company Limited ("Management Company") being the Management Company of the Principal Global Equity Fund, Exclusive Class (PRINCIPAL GEF-X) ("Fund") The fund is a Fund of Funds of the Equity Fund type, that has a policy to invest in or holding in investment units of foreign equity funds and/or Exchange Traded Fund (ETF) that has a policy to invest in foreign equity on average in the fiscal year is not less than 80% of the net asset value of the fund. The fund can be invested in various regions, country or sectors according to the discretion of fund manager. The management company will invest at least 2 funds within the average proportion in the fiscal year not more than 79% of the net asset value of each fund. In this regard, invest in derivatives for the purpose of hedging against foreign exchange risks of not less than 90% of the value assets invested abroad (Fully Hedged). Details are available (more details can be found in the fund prospectus).

The Management Company wishes to request a **special resolution** from unitholders to consider approving To amend the investment policy in derivatives with the following objectives;

1. Changing the investment policy in derivatives for hedging against exchange rate risk

From: Hedging not less than 90% of the value assets invested abroad (Fully Hedged)

To: Hedging against exchange rate risk at the discretion of Fund Manager (Dynamic Hedged)

2. Add a condition allowing the fund to invest in derivatives for Efficient Portfolio Management (EPM) to enhance investment opportunities for the fund.

including relevant Information

In this regard, unitholders can exercise their voting rights from 23 May 2025 to 23 June 2025, which is the last day of notification of voting. The details are as follows:

Management Company's Opinion

1. Changing the investment policy in derivatives for hedging against exchange rate risk

From: Hedging not less than 90% of the value assets invested abroad (Fully Hedged)

To: Hedging against exchange rate risk at the discretion of Fund Manager (Dynamic Hedged)

Principal Global Equity Fund (PRINCIPAL GEF) is a global equity fund that invests through ETFs or mutual funds. The Fund currently maintains an FX hedging policy of not less than 90% of its foreign exposure. However, the fund manager believes that such a requirement may limit investors' return potential, particularly during periods when the US dollar appreciates against the Thai baht. Moreover, the cost of FX hedging is currently relatively high, estimated at approximately 2.3%–2.5% per annum.

Accordingly, revising the FX hedging policy to allow discretion by the fund manager would enhance the fund's flexibility in portfolio management. This would enable the fund manager to adjust the hedging level based on prevailing market conditions, potentially improving return prospects based on currency outlook, and reducing fund expenses when a lower hedging level is appropriate.

The table below compares the return and volatility of a fully hedged MSCI World index (MXWO Index Hedged USDTHB 100%) with those of an unhedged MSCI World index (MXWO Index unhedged). Based on 10-year historical data from Bloomberg (30 April 2015 to 30 April 2025), the unhedged index delivered a higher average annual return of 14.83%, compared to 9.92% for the fully hedged index. Furthermore, the volatility of the unhedged index did not increase significantly when compared to the fully hedged index.

	A fully hedged MSCI World Index (MXWO Index Hedged USDTHB 100%)	An unhedged MSCI World Index (MXWO Index unhedged).
10-Year Average Return p.a.	9.92%	14.83%
Volatility p.a.	9.62%	11.07%
VaR 99%	-22.38%	-25.75%
3Y Max drawdown	-34.03%	-30.40%
Average day to recover	154	151

Therefore, the fund manager is of the view that amending the FX hedging policy of PRINCIPAL GEF—from “not less than 90% hedging” to “hedging at the discretion of the fund manager”—does not materially increase the fund's risk. On the contrary, it provides an opportunity for higher returns through currency management and cost reduction during periods when full hedging is not required.

2. Add a condition allowing the fund to invest in derivatives for Efficient Portfolio Management (EPM) to enhance investment opportunities for the fund.

In light of heightened market volatility, the management company sees potential benefits in expanding the permitted use of derivatives for Efficient Portfolio Management (EPM). This would allow the fund manager to manage risks more effectively and optimize portfolio efficiency through tactical use of derivatives. Examples include:

- **In a bearish market scenario,**

when the fund holds a significant equity position and anticipates a market downturn, it may enter into short positions using equity index futures as a risk mitigation tool, instead of liquidating equity holdings. Selling large volumes of equities quickly

can be impractical, may exert downward pressure on market prices, and can incur high transaction costs. In such cases, using derivatives helps reduce portfolio risk and overall fund expenses.

- **In a bullish market scenario,**

where the fund manager expects a sharp market rebound but faces delays in equity purchases, the fund may initiate long positions in equity index futures to capture potential upside without having to hold the actual securities—enabling prompt market exposure.

The management company believes that enhancing the fund's ability to utilize derivatives for EPM purposes will provide greater flexibility in adjusting investment strategies during volatile periods. It is also expected to improve overall investment efficiency and reduce transaction costs. All derivative transactions will be executed at the fund manager's discretion, within the risk framework approved by the Securities and Exchange Commission (SEC), and under the close supervision of a dedicated risk management team.

Nevertheless, the use of derivatives - whether for hedging or EPM purposes - will depend on prevailing market conditions and various factors such as asset price trends, currency movements, and the cost of derivative transactions. If the underlying assets are highly volatile or market conditions deviate significantly from expectations, the fund may incur losses from derivative positions.

To mitigate such risks, the fund manager will continuously monitor and analyze relevant factors that may impact the value of underlying assets. This ensures that the use of derivatives aligns with market dynamics, helps manage risk effectively, and supports the fund's return objectives. This strategy aims to deliver optimal benefits to unitholders.

The proposed policy amendment has been reviewed and endorsed by the Independent Oversight Entity (IOE), which concluded that it enhances investment opportunities and flexibility for the benefit of unitholders. Implementation remains subject to approval by a special resolution of unitholders.

Unitholders with voting rights and voting methods

In cast votes on this resolution, the Management Company will consider the list of unitholders who have the right to vote using their names and the unit database as shown in the unitholder register ending on 20 May 2025.

The Management Company has already informed of the record date (RD) for unitholders with voting rights on 13 May 2568 by disclosing it to unitholders via an announcement on the Management Company's website.

Therefore, in order to preserve unitholders' rights and benefits, Management Company would like to invite you to exercise your right by casting your vote in order to amend the project details regarding the addition/change of investment policy in derivatives including relevant Information by putting the mark "✓" in ☐ in the Letter Seeking for the Unitholders' Resolution. Unitholders can exercise their voting rights **between 23 May 2025 – 23 June 2025** and please return the documents and attach copy of ID card and/or copy of certified Company's Certificate together with the Company's seal affixed thereon (in case of juristic person) and/or copy of any other important document duly signed as certified true copy and return such documents to Management Company **within 23 June 2025, which is the last day for receiving voting notifications**. The date of receipt of such letter by the return mail service provider or the fund sales or redemption supporter or the management company when it is sent directly to the management company will be considered, and if the management company does not receive notification of the resolution within the specified period, the management company will consider that you "did not vote".

In this case, if this fund receives a special resolution **"passed"** (receiving no less than 3/4 of the total number of investment units), the addition/change of investment policy in derivatives, including related information, **shall be effective from 15 July 2025 onwards**.

Please be informed and consider exercising your rights within the due date. The Management Company would like to thank all unitholders who participate in this vote. Management Company will notify the result of the resolution to all unitholders accordingly. If unitholders would like to have more information, please contact Principal Asset Management Company Limited, Call center, Tel: 0-2686-9500 on every business day, during 8.30 a.m. – 5.00 p.m.

Yours sincerely,

Principal Asset Management Company Limited

Important warning

1. Unitholders who having the right to vote for passing resolution to amendment of the Principal Global Equity Fund (PRINCIPAL GEF) to amend the project details regarding the addition/change of investment policy in derivatives including relevant Information, must hold the Fund's units as of 20 May 2025.
2. Management Company reserves the right to count the votes only where documents are accurate and complete.
3. Passing of resolution to amendment of the Principal Global Equity Fund (PRINCIPAL GEF) to amend the project details regarding the addition/change of investment policy in derivatives including relevant Information will be categorized according to unitholders number. If one unitholder holds many units in various funds/ various share classes (sub class), which result in such unitholder having more than one unitholder number, such unitholder may receive documents according to an amount of unitholder number and also a type of units (sub class) that unitholder has hold. In this connection, Management Company would like to recommend that, in order to preserve unitholder's right and benefit, unitholder shall exercise the right by casting their votes in all documents which has been received or casting their votes through E-Voting system for all type of units (sub class) that you have hold.

Table of Comparison on the amendment of the fund project

Topic	Existing	Amended
2. Fund Type - More details about investment policies and special features	<p>The Fund has a policy to invest in or hold in investment units of foreign equity funds and/or Exchange Traded Fund (ETF) that has a policy to invest in foreign equity on average in the fiscal year is not less than 80% of the net asset value of the fund. The fund can be invested in various regions, country or sectors according to the discretion of fund manager.</p> <p>The management company will invest at least 2 funds within the average proportion in the fiscal year, not more than 79% of the net asset value of each fund. In this regard, the investment in investment units of the foreign fund shall be as specified by SEC or the Capital Market Supervisory Board</p> <p>The remaining funds may consider investing in equity instruments, hybrid securities, Exchange Traded Funds (ETF) and/or Deposit-equivalent instruments, deposits, debt instruments both domestic and/or foreign, and/or securities or other assets both domestic or foreign Issued by the government sector, The State Enterprises or the private sector that have received a credit rating agency within the investment grade.</p> <p>Additionally, the Fund may invest in Derivatives for Hedging not less than 90 percent of the value of foreign investments.....</p>	<p>Principal Global Equity Fund has a policy to invest in or hold in investment units of foreign equity funds and/or Exchange Traded Fund (ETF) that has a policy to invest in foreign equity on average in the fiscal year is not less than 80% of the net asset value of the fund. The fund can be invested in various regions, country or sectors according to the discretion of fund manager. The management company will invest at least 2 funds within the average proportion in the fiscal year, not more than 79% of the net asset value of each fund. In this regard, the investment in investment units of the foreign fund shall be as specified by SEC or the Capital Market Supervisory Board</p> <p>The remaining funds may consider investing in equity instruments, hybrid securities, Exchange Traded Funds (ETF) and/or Deposit-equivalent instruments, deposits, debt instruments both domestic and/or foreign, and/or securities or other assets both domestic or foreign Issued by the government sector, The State Enterprises or the private sector that have received a credit rating agency within the investment grade.</p> <p><u>Additionally, the Fund may invest in Derivatives for Efficient Portfolio Management (EPM) and Hedging depends on the discretion of the fund manager which is considered from the condition of the financial market at that time and other related factors such as the direction of security prices Interest rate direction and exchange rate conditions Including the cost of hedging, etc.</u></p> <p>.....</p>
4. Fund Management	<p>The purpose of investing in derivatives:</p> <p>- Hedging</p>	<p>The purpose of investing in derivatives:</p> <p>- <u>Non-Hedging</u></p> <p><u>investment policy in derivatives.: plan vanilla</u></p> <p><u>Methods for calculating Global Exposure limit :</u></p> <p><u>Commitment approach</u></p> <p><u>Maximum Global Exposure not more than : 100.00%</u></p> <p>- Hedging</p>

Letter of Resolution Approving

Amendments to the Principal Global Equity Fund, Exclusive Class (PRINCIPAL GEF-X) to amend the project details regarding the addition/change to investment policy in derivatives including relevant Information.

Attention:

Address:

.....

Unitholder's number

Attention: Principal Asset Management Company Limited

RE: To seek the resolution approving from unitholders of the Principal Global Equity Fund, Exclusive Class (PRINCIPAL GEF-X) to amend the project details regarding the addition/change of investment policy in derivatives, including relevant Information. To enable the fund to invest in derivatives with the objective of Efficient Portfolio Management (EPM) and to hedge against foreign exchange risk (Hedging) based on the fund manager's discretion.

I, _____ the Unitholder of Principal Global Equity Fund, Exclusive Class (PRINCIPAL GEF-X), _____ units, would like to cast the votes for passing the resolution as follows:

(Please put the mark ☐ at either item as follows:)

- ☐ Approve
- ☐ Not Approve
- ☐ Abstain

To amend the investment policy in derivatives with the following objectives;

1. Changing the investment policy in derivatives for hedging against exchange rate risk

From: Hedging not less than 90% of the value assets invested abroad (Fully Hedged)

To: Hedging against exchange rate risk at the discretion of Fund Manager (Dynamic Hedged)

2. Add a condition allowing the fund to invest in derivatives for Efficient Portfolio Management (EPM) to enhance investment opportunities for the fund.

including relevant Information

In this case, if this fund receives a special resolution “**passed**” (receiving no less than 3/4 of the total number of investment units), the addition/change of investment policy in derivatives, including related information, shall be effective **from 15 July 2025 onwards**.

Please be informed accordingly.

Signed

(.....)

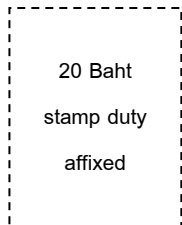
Remark:

- Your signature must be the same as the specimen of signature which you have given to the Asset Management Company
- Please attach copy of ID card and/or copy of certified Company's Certificate together with the Company's seal affixed thereon (in case of juristic person) and/or copy of any other important document signed as certified true copy
- In case of authorization, please attach the copy of ID card of the grantor and copy of ID card of the proxy and Power of Attorney together with stamp duty affixed thereon and signed as certified true copy (in case of juristic person)

Please exercise your right to vote between **23 May – 23 June 2025**

Please return the documents to Asset Management Company **within 23 June 2025**

“Unit holders with voting rights as shown in the unit holder register (Record Date: RD) **as of 20 May 2025**”



In case where the Unitholders or the signatory intend to authorize another person to cast the vote.

Power of Attorney

Written at

On [date]

- (1) I, Nationality: Address:
..... Unitholder of Principal Global Equity Fund, Exclusive Class (PRINCIPAL GEF-X) as appears in the register of the Unitholders as of 20 May 2025 hereby.
- (2) Authorize (name), age: years old, Address:
Road:, Sub-district:, District:, Province:
Postal code: as my representative to cast the vote for passing resolution of the Unitholders of Principal Global Equity Fund, Exclusive Class (PRINCIPAL GEF-X) according to details in Letter issued by Principal Asset Management Company Limited No. M_PDS 0019-3/2025, RE: To seek the resolution approving from unitholders of Principal Global Equity Fund, Exclusive Class (PRINCIPAL GEF-X) to amend the project details regarding the addition/change of investment policy in derivatives including relevant Information, dated 21 May 2025 and the attachments of such letter.
- (3) The number of votes which I have authorized my proxy to cast the vote this time is equivalent to the number of all investment units that I have held as prescribed in unitholder registration book as of 20 May 2025.
- (4) To cast the vote, I desire that the proxy shall have the right to consider and cast the vote by himself/herself as follows:

Particulars	Approve	Not Approve	Abstain
To amend the investment policy in derivatives with the following objectives; 1. Changing the investment policy in derivatives for hedging against exchange rate risk <u>From:</u> Hedging not less than 90% of the value assets invested abroad (Fully Hedged) <u>To:</u> Hedging against exchange rate risk at the discretion of Fund Manager (Dynamic Hedged) 2. Add a condition allowing the fund to invest in derivatives for Efficient Portfolio Management (EPM) to enhance investment opportunities for the fund. including relevant Information			

- (5) Proxy's declaration or any other evidences (if any)
Any affair which the proxy has conducted in casting the vote for passing the resolution of the Unitholders of Principal Global Equity Fund, Exclusive Class (PRINCIPAL GEF-X) in accordance with the Letter of Principal Asset Management Company Limited No. M_PDS 0019-3/2025, RE: To seek the resolution approving from unitholders of Principal Global Equity Fund, Exclusive Class (PRINCIPAL GEF-X) to amend the project details regarding the addition/change of investment policy in derivatives including relevant Information dated 21 May 2025 and the attachments of such Letter shall be deemed as I have conducted such affair by myself in all aspects.

Signed Grantor

(.....)

Signed..... Proxy

(.....)

REMARK:

The documents supporting the passing of resolution of Unitholders in the case of a juristic person are as follows:

- Power of Attorney
- Copy of Grantor's ID Card duly signed by the Grantor and Copy of Proxy's ID Card
- Copy of the Company's Certificate in accordance with the Civil and Commercial Code, updated version (not exceeding 6 months)
- Copy of Grantor's ID Card duly signed by the Grantor (in case where there is the change of the authorized signatory in the Certificate of Company)
- Specimen of signatures of the authorized signatory (only the signatory in the Letter of Resolution) in accordance with FORM A. of the Office of Partnership and Company Registry/Bangkok, Department of Business Development (in case where there is the change of the authorized signatory in the Company's Certificate).
- All categories of document must be duly signed as the certified true copies.