

Private Fund Governance Policy

Objectives

Principal Asset Management Company Limited (“Company”) has the objective to launch and offer its product of the traditional Private Fund (“PF”) by taking into account the demand and benefit of the client in accordance with the Private Fund Governance Policy. Further, the Company intends to cause its working system in connection with the launch and offering of the traditional Private Fund products to be appropriate, adequate and efficient. Therefore, the Board of Directors of Principal Asset Management Company Limited (“Board of Directors”) has approved to impose the working procedure in connection with the Private Fund Governance Policy including the Company’s strategic plan regarding the above-mentioned matter on 20 June 2025, in order to express the importance in operating business by taking into account the demand and benefit of the client in accordance with the Private Fund Governance Policy .

Principal Asset Management Company Limited has imposed the policy, strategic plan, working system and the operating procedure regarding the launch and offering of the Fund’s product, as follows:

1. Organization Chart, Role of the Board of Directors and Duties of High-Level Executives

The Company has imposed its management structure, working system including appropriate and adequate personnel in order that their operation will be efficient in accordance with the Private Fund Governance Policy and to achieve the objectives as follows:

1.1 The company establishes policies and strategic plans that outline the business direction concerning private funds. These emphasize the importance of creating and conveying a clear and written commitment to the principles of private fund governance, both at the company level and within relevant departments involved in policy design, investment, and the offering of private fund services. These policies are endorsed by the management committee and approved by the board of directors. Furthermore, the intent and principles of private fund governance are communicated and disseminated throughout all relevant departments and personnel within the organization.

1.2 The company establishes a clear, written structure for management, systems, and overall procedures related to the design of investment policies and the provision of private fund services. This structure must be approved by the board of directors and must clearly specify the duties, responsibilities, and oversight of the relevant departments. The aim is to ensure review processes, checks and balances in operations, independence, and the absence of conflicts of interest

1.3 The company assigns the investment department the responsibility of designing investment policies based on client proposals, while the private fund department is responsible for offering private fund services. This structure enables systematic and timely monitoring and oversight, allowing for a comprehensive assessment of the overall business and its risks. It also allows for performance measurement, problem analysis, and prompt and effective problem resolution.

1.4 The company clearly assigns responsibilities for various relevant functions. For example, the Chief Investment Officer (CIO) oversees investment management, while the private fund department is responsible for client communications. Additionally, the Head of Provident and Private Fund and the Head of Compliance play key roles in overseeing and reviewing the implementation of investment policy design and service offerings to clients. They ensure that private fund operations comply with established policies and procedures, review operational practices, and report any deficiencies or non-compliance to the responsible parties.

1.5 The company has sufficient resources and personnel, both in terms of quantity and quality, to effectively support the design of investment policies and the provision of private fund services. These personnel possess appropriate knowledge, skills, and experience, and have a clear understanding of the

investment policies of private funds, including the nature of returns and associated risks. They also understand the clients or target client groups of the respective private funds.

1.6 The private fund department communicates to all related employees and relevant external parties its strong commitment to private fund governance.

1.7 The company's board of directors effectively monitor the overall process of investment policy design and the provision of private fund services. Compliance is responsible for monitoring and reporting on any inappropriate or non-compliant practices to support such monitoring. The private fund department reviews the suitability of its policies, and procedures at least once a year, as well as upon the occurrence of any material event, in order to consider appropriate improvements or adjustments.

2. PF's Portfolio Construction & Design

Developing investment policy

2.1 The company has designated relevant departments for designing investment policies and controlling the risks of private funds. These include the investment department (responsible for managing investment funds), the risk management department (to assess associated risks), the marketing department (which understands customer needs and constraints), as well as the compliance department to ensure that investments are conducted in accordance with the policies presented to clients.

2.2 The company has a process for designing and developing investment policies to ensure such policies are created with primary consideration of benefits and needs of target customer group. It also has appropriate measurement in place to prevent and manage conflicts of interest, so that the investment policy design does not result in customers being disadvantaged. Documentation related to the consideration and design of the investment policy is maintained to ensure traceability and accountability

3. Communication of Information relating to Private Fund

3.1 Private fund department has responsibility for the communication process and for giving knowledge to the PF RM in order to ensure that the private fund RM will understand the characteristics and risk of the offered private fund, as a result, the private fund RM will offer private fund to the target group of clients correctly.

3.2 The company has its method of communication with investors where the Company is confident that the clients will have adequate information and they can understand the private fund before making the decision on investment, for instance, the preparation of proposals, presentation, sales supporting documents or any other relevant information in the form which the investors can easily understand, etc.

4. The Monitoring of Appropriateness of Private Fund

4.1 The company monitors the performance of private funds to determine whether they align with the expected returns of clients. Furthermore, the company tracks investments to ensure they remain within the defined investment framework specified in the agreement and various risk metrics of each private fund

4.2 The company has continuously monitored the situation, it has also analyzed the impact against the private fund and it also rectified the situation or took any action as appropriate.

4.3 The company has monitored performing duties of the private fund RM in private fund offering in order to ensure that the product has been sold according to the need of the target group of client and such client understand the product before making the decision on investment.

4.4 The company has launched the channel to receive the complaint and it has established the procedure in resolving the complaint by monitoring the progress of the action for resolving the clients' complaint including the analysis on problem, cause of such complaint.