

# Principal Life Style Fund - Principal Hong Kong Bond Fund



Overall Morningstar Rating™ **★★★★**

As of 31/8/2024

## Important Notes:

1. Principal Hong Kong Bond Fund ("Fund") will invest primarily in Hong Kong dollar debt securities including government bonds, corporate bonds, floating rate notes, bills, commercial papers and certificates of deposit. It may also invest in assets denominated in other currencies. The Fund is therefore subject to interest rate risk, credit risk, currency risk, downgrading risk and liquidity risk.
2. For R6 Class Units of the Fund, dividend is not guaranteed. The manager may at its discretion pay dividend effectively out of the capital attributable to the R6 Class Units of the Fund (i.e. making the distribution from gross income while charging all or part of the fees and expenses attributable to the R6 Class Units to the capital out of such Units of the Fund), resulting in an increase in distributable income for the payment of dividend by the R6 Class Units of the Fund and may result in an immediate reduction of the net asset value per unit of the R6 Class Units of the Fund. Such payment of dividend effectively out of capital amounts to a return or withdrawal of part of an investor's original investment in the R6 Class Units of the Fund or from any capital gains attributable to that original investment.
3. Investment involves risk. There is no assurance on investment returns and you may not get back the amount originally invested.
4. The investment decision is yours and you should not invest in this Fund unless the intermediary who sells it to you has advised you that it is suitable for you and explained how it is consistent with your investment objectives.
5. You should not rely solely on this marketing material when making your investment decision. You should read the Explanatory Memorandum of Principal Life Style Fund for further details (including investment policy, risk factors, fees and charges, and fund information).

## Investment Objective

To provide a return consisting of income and capital growth over medium to long term<sup>1</sup>.

## Fund Information

Fund Managers	How Chung Wan 20 years of industry experience Prakash Gopalakrishnan 23 years of industry experience
Fund Domicile	Hong Kong
Base Currency	Hong Kong Dollar
Fund Size	HK\$3,102.2 million
Initial Charge	Up to 5%
Management Fee	0.5% p.a.
For other charges and expenses, please refer to the Explanatory Memorandum.	

## Available Share Class

Share Class	Retail Class Units	R6 Class Units
Inception Date	13 Oct 2011	15 Jan 2015
Unit NAV	HK\$12.1382	HK\$9.0378
Fund Codes		
- ISIN	HK0000087129	HK0000229630
- Bloomberg	PSHKBDR HK	PRHKBR6 HK
Dividend Policy	N/A	Quarterly <sup>5</sup> (Mar, Jun, Sep, Dec)

## Top Ten Holdings<sup>7</sup>

Bond	%
HSBC Holdings plc-1.55% 03/06/2027	2.8
Airport Authority Hong Kong-2.3% 24/04/2030	2.8
MTR Corporation Ltd-4.5% 22/02/2025	2.4
CLP Power HK Financing Ltd-3.22% 20/03/2030	2.4
Hong Kong Mortgage Corp Ltd-3.2% 16/10/2028	2.4
PSA Treasury Pte Ltd-3.96% 20/05/2032	2.3
China Development Bank/HK-4.27% 03/03/2025	2.3
China Development Bank/HK-4.47% 14/01/2026	2.1
Hong Kong Mortgage Corp Ltd-2.47% 15/03/2029	2.0
Urban Renewal Authority-3.45% 27/08/2029	1.9
<b>Total</b>	<b>23.4</b>
Total Holdings	113

## Fund Performance (Retail Class Units)

Cumulative Return <sup>2</sup> (%)	1 month	3 months	1 year	3 years	5 years	Since Inception
Fund	1.2	4.2	8.0	0.2	6.0	21.4
Index <sup>3</sup>	1.2	4.3	8.4	0.9	7.6	32.3

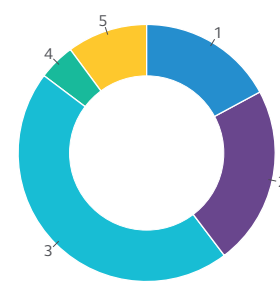
  

Calendar Year Return <sup>2</sup> (%)	YTD	2023	2022	2021	2020	2019
Fund	4.2	6.7	-8.7	-0.9	6.6	3.3
Index <sup>3</sup>	4.2	7.1	-8.5	-0.6	7.3	3.8

## Performance Since Inception<sup>2</sup> (Retail Class Units)



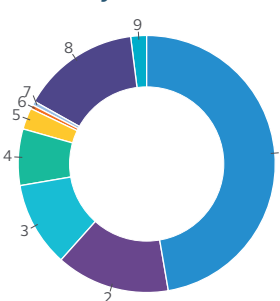
## Credit Rating Breakdown<sup>4,6</sup> (%)



1 AAA	17.1
2 AA	22.5
3 A	45.5
4 BBB	4.6
5 Certificates of Deposits and Others	10.1

Average Credit Rating	AA-
Current Yield	3.6%
Modified Adjust Duration (years)	3.97

## Industry Breakdown<sup>6</sup> (%)



1 Financials	47.3
2 Utilities	14.3
3 Government	10.7
4 Industrials	7.1
5 Consumer Staples	2.7
6 Materials	0.5
7 Energy	0.5
8 Others	14.9
9 Cash	2.0

1 Investment in unrated debt securities is only limited to those issued by the "exempt authority" within the definition of Section 7 of Schedule 1 to the MPF Regulation.

2 The performance information reflects performance of the retail class units. It is denominated in HK dollar and calculated on NAV to NAV basis. Source: ©Morningstar 2024 and Principal Asset Management Company (Asia) Limited. Outperforming the Markit iBoxx ALBI Hong Kong TR Index is not specifically included in the objective of the Fund and the figures shown in the table are provided as a comparison only. The two methods of calculation of performance may not be identical. Overall Morningstar Rating™ 2024 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information in this document.

3 With effect from 1 April 2016, the index of the Fund has been changed to Markit iBoxx ALBI Hong Kong TR Index. The previous index was HSBC HK Local Currency Bond Index.

4 Credit rating breakdown is based on the issue specific, or issuer specific, credit ratings provided by Standard & Poor's Corporation, Moody's Investor Service, Inc., or Fitch Ratings. "Others" refers to those securities which do not hold either an issue specific or issuer specific credit rating, including certificates of deposits.

5 The Manager intends to distribute dividend on a quarterly basis in March, June, September and December. For detail of dividend disclosures, please refer to point 2 of the Important Notes above.

6 Investments do not always add up to 100% due to rounding.

7 Investors should be aware that the exposure of the Fund can change significantly on a daily basis.

This flyer is to be read in conjunction with the Explanatory Memorandum. Future performance and the capital value of the Fund are not guaranteed. Past performance figures are not indicative of future performance. The value of units may rise as well as fall. Investors are reminded that in certain circumstances their right to redeem may be suspended. Full details of the risks of investing in the Fund are contained in the Explanatory Memorandum. We recommend investors obtain and read a copy of the Explanatory Memorandum before investing.

This material has not been reviewed by the Securities and Futures Commission.

Issuer: Principal Asset Management Company (Asia) Limited