



# Principal MPF Scheme Series 800

Overview of Constituent Funds

## Important Notes

**Important: If you are in doubt about the meaning or effect of the contents of this marketing material, you should seek independent professional advice.**

1. Investment in the Principal HK Dollar Savings Fund is different from placing deposits with a bank or deposit-taking company and is not protected by the Deposit Protection Scheme. Investments in the Principal HK Dollar Savings Fund will be subject to investment risks.
2. Fees and charges of a MPF conservative fund can be deducted from either (i) the assets of the Constituent Fund or (ii) members' account by way of unit deduction. The Principal MPF Conservative Fund uses method (i) and, therefore, unit prices/net asset value/fund performance quoted have incorporated the impact of fees and charges.
3. You should consider your own risk tolerance level and financial circumstances before investing in the DIS. You should note that the Principal Core Accumulation Fund and the Principal Age 65 Plus Fund may not be suitable for you, and there may be a risk mismatch between the Principal Core Accumulation Fund and the Principal Age 65 Plus Fund and your risk profile (the resulting portfolio risk may be greater than your risk preference). You should seek financial and/or professional advice if you are in doubt as to whether the DIS is suitable for you, and make the investment decision most suitable for you taking into account your circumstances.
4. You should note that the implementation of the DIS may have an impact on your MPF investments and benefits. You should consult with the Trustee if you have doubts on how you are being affected.
5. You should consider your own risk tolerance level and financial circumstances before making any investment choices. In your selection of Constituent Fund(s), when you are in doubt as to whether a certain Constituent Fund is suitable for you (including whether it is consistent with your investment objectives), you should seek financial and/or professional advice and choose the Constituent Fund(s) most suitable for you, taking into account your own circumstances.
6. In the event that you do not make any investment choices, please be reminded that any contributions made and/or benefits transferred into the Scheme will be invested into the DIS.
7. Investment involves risks. The value of the funds may go up or down. The past performance is not indicative of future performance. Your investment may suffer significant loss. There is no assurance on investment returns and you may not get back the amount originally invested.
8. You should not invest in reliance on this marketing material alone. You should read the relevant MPF Scheme Brochure for further details (including investment policy, risk factors, fee and charges of the Constituent Funds).

"Scheme" means Principal MPF Scheme Series 800.

"Constituent Fund" means the constituent funds covered under the Scheme.

"Trustee" refers to Principal Trust Company (Asia) Limited.

The Scheme consists of 17 constituent funds and DIS, DIS is mainly designed for those members who are not interested or do not wish to make a fund choice. The DIS aims to balance the long term effects of risk and return through investing in two constituent funds, namely Principal Age 65 Plus Fund (“A65F”) and Principal Core Accumulation Fund (“CAF”), according to the pre-set allocation percentages at different ages. Accrued benefits invested through the DIS will be invested in a way that adjusts risk depending on a member’s age. The DIS will manage investment risk exposure by automatically reducing the exposure to higher risk assets and correspondingly increasing the exposure to lower risk assets as the member gets older. The de-risking is to be achieved by annual adjustments of asset allocation gradually from CAF to A65F under the DIS. For details, please refer to the relevant MPF Scheme Brochure.

The following classifications of Risk/Return Profile for each constituent fund are provided by Principal Asset Management Company (Asia) Limited and will be reviewed on an annual basis. The classifications of Risk/Return Profile are based on past volatility (i.e. annualized standard deviation of returns), worst and best two months returns, and the relative risk levels among the funds in the Scheme. Besides, reference was also made to the investment objectives of the respective funds. The classifications of Risk/Return Profile are provided for reference only and they should not be regarded as investment advice.



Fund Name	Investment Objective	Balance of Investments	Asset Allocation	Geographic Allocation	Risk/Return Profile#
<b>Principal Age 65 Plus Fund<sup>Δ</sup></b>	To provide stable growth for the retirement savings to members by investing in a globally diversified manner. The fund is denominated in Hong Kong dollars.	Invest in a unit trust APIF, Principal Unit Trust Umbrella Fund - Principal Age 65 Plus Fund, which in turn invests in two or more passively or actively managed approved ITCISs and / or unit trust APIFs as allowed under the Mandatory Provident Fund Schemes (General) Regulation.	Around 20% in higher risk assets Around 80% in lower risk assets	No prescribed allocation	 (DIS Fund)
<b>Principal Core Accumulation Fund<sup>Δ</sup></b>	To provide capital growth to members by investing in a globally diversified manner.	Invest in a unit trust APIF, Principal Unit Trust Umbrella Fund - Principal Core Accumulation Fund, which in turn invests in two or more passively or actively managed approved ITCISs and / or unit trust APIFs as allowed under the Mandatory Provident Fund Schemes (General) Regulation.	Around 60% in higher risk assets Around 40% in lower risk assets	No prescribed allocation	 (DIS Fund)
<b>Principal MPF Conservative Fund<sup>1</sup></b>	To at least earn a net return equal to the “prescribed savings rate” (which is broadly the average rate of interest on a Hong Kong dollar savings account) determined by the MPFA.	Invest in a unit trust Approved Pooled Investment Fund (“Unit Trust APIF”) which will consist of a portfolio of bank deposits, short duration securities and high quality money market instruments denominated in Hong Kong dollars.	Certificates of Deposit 0-95% Debt Securities 0-95% Cash & Short-term Investments (e.g. bills and deposits) 0-100%	Hong Kong 100%	 (Money Market Fund)
<b>Principal HK Dollar Savings Fund</b>	To earn a competitive short-to-medium term rate of return.	Invest in a unit trust APIF. The APIF will invest primarily in a portfolio of high quality short to medium duration debt securities denominated in HKD. The APIF may also hold assets denominated in other currencies.	Short-to-medium Duration 60-100% Debt Securities (e.g. certificates of deposits) 0-40% Cash & Short-term Investments (e.g. bills and deposits) 0-40%	Hong Kong 70-100% United States 0-30% Europe 0-30% Others 0-20%	 (Money Market Fund)
<b>Principal Asian Bond Fund</b>	To provide a return consisting of income and capital growth over medium to long term.	Invests in a unit trust APIF. The APIF in turn invests in another APIF which invests a majority of its assets in Asian debt securities, including but not limited to sovereign, quasi-sovereign, agency, corporate bonds, of varying maturities issued by a government, multi-lateral agencies or by companies, and denominated primarily in U.S. dollars and major Asian currencies.	Debt Securities 70-100% Cash and time deposits 0-30%	Asia~ 70-100% Others~ 0-30%	 (Bond Fund)
<b>Principal Hong Kong Bond Fund</b>	To provide a return consisting of income and capital growth over medium to long term.	Invest in a Unit Trust APIF which will primarily invest at least 70% of its assets in Hong Kong debt securities (rated or unrated <sup>Δ</sup> ), including (but not limited to) sovereign and/or non-sovereign, floating and/or fixed, of varying maturities issued by a government or by multi-lateral agencies or by companies, and denominated in Hong Kong dollars.	Debt Securities 70-100% Cash & Short-term Investments (e.g. bills and deposits) 0-30%	Hong Kong 70-100% Others 0-30%	 (Bond Fund)
<b>Principal International Bond Fund</b>	To protect and maximise real asset value in terms of international purchasing power.	Invest in a Unit Trust APIF which will in turn invest in another APIF which invests mainly in a portfolio of debt securities, both sovereign and non-sovereign, of varying maturities and denominated in the world’s major currencies.	Debt Securities 70-100% Cash & Short-term Investments (e.g. bills and deposits) 0-30%	Asia (ex-Japan) 0-50% Europe 0-50% Japan 0-50% North America 15-85% Other countries (each) 0-20%	 (Bond Fund)
<b>Principal Stable Yield Fund</b>	To seek long-term growth of capital through investing in a balanced portfolio.	Invest in a Unit Trust APIF which will in turn invest in two or more APIFs and/or ITCIS. Through these underlying investments, the fund will invest primarily in equities and debt securities of different countries. The fund will provide an international exposure with relatively more emphasis on debt investments.	Equity Securities 0-60% Debt Securities 20-90% Cash & Short-term Investments (e.g. bills and deposits) 0-30%	Asia 0-75% Europe 0-75% North America 0-80% South America 0-10% Africa/ Middle East 0-10% Others 0-20%	 (Mixed Assets Fund)
<b>Principal Long Term Accumulation Fund</b>	To earn a competitive long-term total rate of return through investing in a balanced portfolio.	Invest in a Unit Trust APIF which will in turn invest in two or more APIFs and/or ITCIS.	Equity Securities 20-80% Debt Securities 15-75% Cash & Short-term Investments (e.g. bills and deposits) 0-20%	United States 15-100% Asia 0-85% Europe 0-30% Others 0-20%	 (Mixed Assets Fund)
<b>Principal Global Growth Fund</b>	To seek long-term growth of capital through investing in a balanced portfolio.	Invest in a Unit Trust APIF which will in turn invest in two or more APIFs and/or ITCIS. Through these underlying investments, the fund will invest primarily in equities and debt securities of different countries. The fund will normally target a larger allocation to equity investments than debt securities.	Equity Securities 30-90% Debt Securities 10-70% Cash & Short-term Investments (e.g. bills and deposits) 0-30%	Asia 0-75% Europe 0-75% North America 0-80% South America 0-10% Africa/ Middle East 0-10% Others 0-20%	 (Mixed Assets Fund)
<b>Principal Aggressive Strategy Fund</b>	To seek long-term growth of capital through investing entirely in an Approved Pooled Investment Fund (“APIF”).	Invests in a unit trust APIF. The APIF in turn invests in two or more APIFs and/or ITCISs. Through these underlying investments, the fund will invest primarily in equities and debt securities of different countries. The fund will provide an international exposure for investors’ monies, with relatively more emphasis on equity investments.	Equity Securities 60-100% Debt Securities 0-40% Cash & Short-term Investments (e.g. bills and deposits) 0-30%	Asia 0-75% Europe 0-75% North America 0-80% South America 0-10% Africa/ Middle East 0-10%	 (Mixed Assets Fund)
<b>Principal US Equity Fund</b>	To achieve capital growth over the long-term by investing in US equity markets.	Invest in a Unit Trust APIF which will in turn invest in another APIF which consists primarily of US equities and can include exposure to cash and short-term investments.	Equity Securities 70-100% Cash & Short-term Investments (e.g. bills and deposits) 0-30%	United States 70-100% Hong Kong 0-30% Others 0-20%	 (Equity Fund)
<b>Principal Asian Equity Fund</b>	To achieve capital growth over the long-term by investing in Asian equity markets.	Invest in a Unit Trust APIF which will in turn invest in another APIF which consists primarily of Asian equities and can include exposure to cash and short-term investments.	Equity Securities 70-100% Cash & Short-term Investments (e.g. bills and deposits) 0-30%	Asia (ex-Japan) 80-100% Others 0-20%	 (Equity Fund)
<b>Principal China Equity Fund</b>	To achieve capital growth over the long term by investing mainly in China-related equities.	Invest in a unit trust APIF. The APIF in turn invests at least 70% of its assets in equities issued by companies with exposure to different sectors of the economy in the PRC (Mainland China) or in collective investment schemes as permitted under the General Regulation which primarily invest in such equity securities.	Equity Securities 70-100% Cash & Short-term Investments (e.g. bills and deposits) 0-30%	People’s Republic of China (Mainland China) 70-100% Other countries 0-30%	 (Equity Fund)
<b>Principal Hang Seng Index Tracking Fund</b>	To provide investment results that closely correspond to the performance of the Hang Seng Index through investing all or substantially all of the fund’s assets in units of The Tracker Fund of Hong Kong.	Invest in The Tracker Fund of Hong Kong, which will in turn invest all or substantially all of its assets in equity securities listed on the Hong Kong Stock Exchange Limited.	Equity Securities 90-100% Cash & Short-term Investments (e.g. bills and deposits) 0-10%	Hong Kong 20-80% China 20-80%	 (Index Tracking Fund)
<b>Principal Hong Kong Equity Fund</b>	To achieve capital growth over the long-term by investing mainly in Hong Kong equity markets.	Invest in a unit trust APIF. The APIF in turn invests at least 70% of its assets in listed equities issued by companies established in Hong Kong or by companies whose shares are listed (including but not limited to H shares and shares of red-chip companies) on the Hong Kong Stock Exchange. The APIF may also invest in listed equities issued by companies which have business in Hong Kong.	Equity Securities 70-100% Cash & Short-term Investments (e.g. bills and deposits) 0-30%	Hong Kong/China 70-100% Others 0-30%	 (Equity Fund)
<b>Principal International Equity Fund</b>	To seek capital growth over the long-term through investing mainly in equity markets around the world.	Invest in a Unit Trust APIF which will in turn invest in another APIF which consists of mainly equity securities selected from investment markets around the world and can include exposure to cash and short-term investments.	Equity Securities 70-100% Cash & Short-term Investments (e.g. bills and deposits) 0-30%	North America 0-65% Europe 0-60% Asia 0-50% South America 0-50% Middle East 0-20% Africa 0-20% Others 0-20%	 (Equity Fund)

<sup>Δ</sup> 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.

<sup>Δ</sup> Members should note that, if investments / benefits in the A65F or the CAF are made under the member’s specific investment instructions for investment in such fund (as a standalone fund choice rather than as part of the DIS offered as a choice), those investments / benefits will not be subject to the de-risking process.

## 1 Principal MPF Conservative Fund

Fees and charges of a MPF conservative fund can be deducted from either (i) the assets of the Constituent Fund or (ii) members' account by way of unit deduction. This Principal MPF Conservative Fund uses method (i) and, therefore, unit prices / net asset value / fund performance quoted have incorporated the impact of fees and charges.

### NOTE:

Investors should note that (i) the above ranges of asset and geographic allocations are for indication only and long term allocations may vary with changing market conditions; and (ii) the geographic allocation for equity investments is classified by the principal place of business of the issuers and the geographic allocation for debt investments is classified by their currency denomination.

~ The geographical allocation for debt securities of the Principal Asian Bond Fund is classified by country of risk. "Country of risk" is based on a number of criteria, including, in respect of a security, its issuer's country of domicile, the primary stock exchange on which it trades, the location from which the majority of its issuer's revenue comes, and its issuer's reporting currency.

This document is issued by Principal Trust Company (Asia) Limited.

Please contact your MPF Consultant if you have any questions or require information on our fund overview.

MPF Scheme Hotline: 2827 1233 Fax: 2827 1707

Address: 30/F, Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong

Email: [hkinfo@principal.com](mailto:hkinfo@principal.com)

[www.principal.com.hk](http://www.principal.com.hk)