

Principal Life Style Fund
Principal Hong Kong Dollar Savings Fund
April 2022

- *This statement provides you with key information about Principal Hong Kong Dollar Savings Fund (“Sub-Fund”).*
- *This statement is a part of the Explanatory Memorandum.*
- *You should not invest in the Sub-Fund based on this statement alone.*

Quick facts

Fund Manager:	Principal Asset Management Company (Asia) Limited
Delegate of the Fund Manager:	Principal Global Investors, LLC (internal delegation, USA)
Sub-delegate of the Fund Manager:	Principal Global Investors (Hong Kong) Limited (internal sub-delegation, Hong Kong)
Trustee & Custodian:	Principal Trust Company (Asia) Limited
Ongoing charges over a year*:	Retail Class Units: 0.47%
* The ongoing charges figure is based on expenses for the year ended 31 December 2021. This figure may vary from year to year.	
Dealing frequency:	Every business day
Base currency:	Hong Kong Dollar
Dividend policy:	For Retail Class Units: No dividend will be declared or distributed.
Financial year end of the Sub-Fund:	31 December
Min. investment:	HK\$ 10,000 initial, HK\$ 5,000 additional

What is this product?

The Sub-Fund is a fund constituted in the form of a unit trust.

Objectives and Investment Strategy
Objective

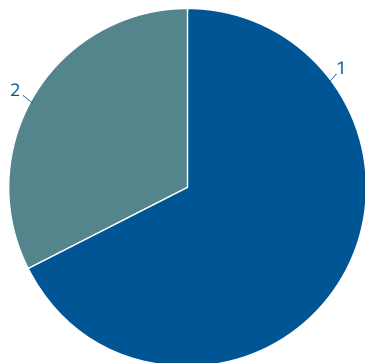
To earn a competitive short-to-medium term rate of return.

Investment Strategy

The Sub-Fund will invest primarily in a portfolio of high quality short to medium duration debt securities (rated or unrated[#]), including (but not limited to) sovereign and/or non-sovereign, floating and/or fixed, of varying maturities issued by the government or by multi-lateral agencies or by companies, and denominated in Hong Kong dollars. The types of debt securities that the Sub-Fund primarily intends to invest into are government bonds, corporate bonds/debentures, floating rate notes, bills, commercial papers and certificates of deposit. The Sub-Fund may also hold assets denominated in other currencies.

The Sub-Fund will not enter into any financial futures contracts or financial options contracts.

[#] 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.

Investment Mix as at 31 December 2021


1	Short-Medium Term Securities	67.7%
2	Cash and Time Deposit	32.3%

Use of derivatives / investment in derivatives

The Sub-Fund will not use derivatives for any purposes.

What are the key risks?

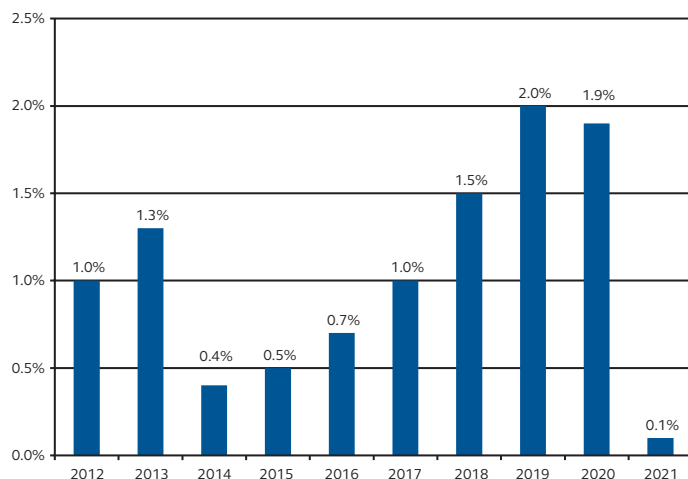
Investment involves risks. Please refer to the Explanatory Memorandum for details including the risk factors.

Investment in this Sub-Fund is different from placing deposits with a bank or deposit-taking company. Investment in this Sub-Fund is not protected by the Deposit Protection Scheme.

- 1. Investment risk** — The Sub-Fund's investment portfolio may fall in value due to any of the key risk factors and therefore your investment in the Sub-Fund may suffer losses. There is no guarantee of the repayment of principal.
- 2. Interest rate risk** — Interest rate movements have an impact on the valuation of debt securities and hence, the NAV of a Sub-Fund. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise.
- 3. Credit/counterparty risk** — The Sub-Fund may be exposed to credit and counterparty risk of issuers of the debt securities that the Sub-Fund may invest in. If the issuer of debt securities in which the Sub-Fund invested in defaults or suffers insolvency, such securities may become worthless and the performance of the Sub-Fund will be adversely affected. Further, investments in debt securities which involve a counterparty are subject to the credit risk or default risk of the counterparty. This may adversely affect the NAV of the Sub-Fund and investors may as a result suffer loss.
- 4. Risk associated with debt securities rated below investment grade or unrated** — The Sub-Fund may invest in debt securities rated below investment grade (as determined by credit rating agency(ies) approved by the MPF Authority) or unrated, as may be allowed under the MPF Regulation. Such securities are generally subject to lower liquidity, higher volatility and greater risk of loss of principal and interest than high-rated debt securities, which may adversely impact the returns of the securities and in turn the net asset value of the Sub-Fund.

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How has the Sub-Fund performed?



Past performance information is not indicative of future performance. Investors may not get back the full amount invested.

The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividend reinvested.

These figures show by how much the Retail Class Units increased or decreased in value during the calendar year being shown. Performance data has been calculated in HKD including ongoing charges and excluding subscription fee and redemption fee you might have to pay.

Where no past performance is shown there was insufficient data available in that year to provide performance.

Fund launch date: 2 July 2003

Retail Class launch date: 2 July 2003

Retail Class is selected as the most appropriate representative unit class as it is the only unit class of the Sub-Fund that is currently marketed to the public in Hong Kong.

Is there any guarantee?

The Sub-Fund does not have any guarantees. You may not get back the full amount of the money you invest.

What are the fees and charges?

- Charges which may be payable by you**

You may have to pay the following fees when dealing in the units of the Sub-Fund.

Fee	What you pay
Subscription fee	Up to 5% of the amount you buy
Switching fee	4 free switches per year, up to 1% of the issue price of the new class of units to be issued may be levied for subsequent switches
Redemption fee	N/A

- Ongoing fees payable by the Sub-Fund**

The following expenses will be paid out of the Sub-Fund. They affect you because they reduce the return you get on your investments.

	Annual rate (as a % of the Sub-Fund's net asset value)
Management fee	0.25% (maximum 2%)
Trustee fee	0.20% (maximum 1%)
Custodian fee	0.01% to 0.50%
Performance fee	N/A
Valuation fee	Up to HK\$1,000 / month
Administration fee	N/A

- Other fees**

You may have to pay other fees when dealing in the units of the Sub-Fund. The Sub-Fund will bear the costs which are directly attributable to it. Please refer to the section "Charges and Expenses" of the Explanatory Memorandum for details.

Additional Information

- You generally may buy and/or redeem units at the Sub-Fund's next-determined net asset value (NAV) after the Fund Manager receives your request in good order on a dealing day before 5:00 p.m. (Hong Kong time) being the Sub-Fund's dealing cut-off time. Before placing your subscription or redemption orders, please check with your distributor for the distributor's internal dealing cut-off time (which may be earlier than the Sub-Fund's dealing cut-off time).
- The net asset value per unit for the Sub-Fund will be calculated and published on each dealing day.
- The past performance information of other unit classes offered to Hong Kong investors (if any) is available from the Fund Manager on request and from the website <http://www.principal.com.hk>*.

* *The website has not been reviewed by the SFC.*

Important

- If you are in doubt, you should seek professional advice.
- The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.