

Achieve Your Retirement Goals with

Principal MPF Personal Account

Applicable to the Personal Account members of
Principal MPF Scheme Series 600

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

Important to note:

1. The Principal Long Term Guaranteed Fund invests solely in an insurance policy-based APIF issued by Principal Insurance Company (Hong Kong) Limited (“**Principal**”). The guarantee is also provided by Principal. Your investments, if any, in the Principal Long Term Guaranteed Fund, are therefore subject to the credit risk of Principal. Please refer to section 3.4.1 (*Principal Long Term Guaranteed Fund*) of the relevant MPF Scheme Brochure for details of the credit risk, guarantee features and guarantee conditions.
2. Principal, the guarantor of the insurance policy-based APIF in which the Principal Long Term Guaranteed Fund invests, will only provide a guarantee of capital and a prescribed guarantee rate of return in certain specified circumstances. Please note that you may lose the guarantee entitlement if you have elected to transfer your accrued benefits in the Scheme (i) from an account within the Scheme to another account within the Scheme; (ii) from the Principal Long Term Guaranteed Fund to another Constituent Fund in the Scheme; or (iii) to another registered scheme as described in section 6.7.2 (*Transferring accrued benefits from or within the Scheme*) of the relevant MPF Scheme Brochure. Please refer to section 3.4.1 (*Principal Long Term Guaranteed Fund*) the relevant MPF Scheme Brochure for details of the guarantee conditions. Please also note that a partial withdrawal of accrued benefits may affect your guarantee entitlement under the Principal Long Term Guaranteed Fund. For details, please refer to Appendix I (*Operation of the guarantee in respect of the Principal Long Term Guaranteed Fund*) of the relevant MPF Scheme Brochure.
3. If you are currently investing in the Principal Long Term Guaranteed Fund, a withdrawal of the accrued benefits on ground of terminal illness may affect your entitlement to the guarantee and you may lose your guarantee. For details please check the relevant MPF Scheme Brochure or consult the trustee before making any such withdrawal.
4. 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. Investment in the Principal HK Dollar Savings Fund will be subject to investment risks.
5. 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.
6. You should consider your risk own tolerance level and financial circumstances before investing in 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.
7. 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.
8. You should consider your own risk tolerance level and financial circumstances before making any investment choices. In your selection of Constituent Fund(s), you are in doubt as to whether a certain Constituent Fund(s) 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.
9. In the event that you do not make any investment choices, please be reminded that any contributions made and/or benefits transferred into this Scheme will be invested into the DIS.
10. 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.
11. 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).



What is Personal Account?

A personal account in relation to a member of an MPF scheme, means an account (not a contribution account) within the scheme, (a) into which special contributions (if any) are paid in respect of the member; (b) in which the member's accrued benefits (if any) in respect of any former employment or former self-employment of the member are held; (c) in which the member's accrued benefits (that are deriving from employee mandatory contributions only, if any) in respect of any current employment of the member are held; and (d) in which the member's Minimum MPF Benefits (if any) transferred to the scheme from an ORSO exempted scheme or an ORSO registered scheme are held.

With Principal MPF Personal Account, you can enjoy a flexible, affordable and convenient way which may help you reach your retirement goals.



Why Principal MPF Personal Account?

Diversified Investment Options

With solid experience in investment management, we offer diversified investment options, providing different characteristics and risk levels to meet different investment objectives and retirement needs of members.

Retirement Services Specialists

Our experienced retirement services specialists possess technical know-how in managing/administering pension schemes, and are committed to helping members select the right approach to achieve your financial goals.

Reliable Administration and Quality Customer Services

Our sophisticated administrative and advanced I.T. systems are designed to accommodate your unique personal requirements, while providing flexibility for change. Besides, we also provide quality customer services to members and they can take advantage of them to manage their MPF accounts efficiently.

Convenient Information Access

Members can obtain their individual account information conveniently through the round-the-clock Principal TeleTouch® interactive voice response system or internet-based **Principal Retirement Services Centre** (www.principal.com.hk). With these, members can access their account balances, daily fund prices, investment performance and even switch funds anytime and anywhere. In addition, members may also obtain their account balances, daily fund prices and investment performance via the **Principal Mobile App**. Both members and non-members can take advantage of the budget planning tool, where this Mobile App also offers "Fund Price Alert" function. Lastly, by registering the Principal e-Communication Service, members will enjoy a wide array of free services including regular updates on pension account balance, updated information on Principal products and services promotional program as well as exclusive member benefits via e-mail and SMS.



How To Make A Transfer?

Transfer your accrued benefits to Principal MPF Personal Account by completing and returning the Personal Account Member Application Form and/or Scheme Member's Request for Fund Transfer Form MPF(S)-P(M) and/or Employee Choice Arrangement ("ECA") - Transfer Election Form MPF(S)-P(P) to Principal. The forms can be downloaded at www.principal.com.hk.

For details of Principal MPF Personal Account,
please call our Customer Service Hotline: (852) 2827 1233
or visit our website www.principal.com.hk



Delightful Rewards

From now on, as an MPF Personal Account member with Principal, you would have a chance to enjoy delightful surprises.

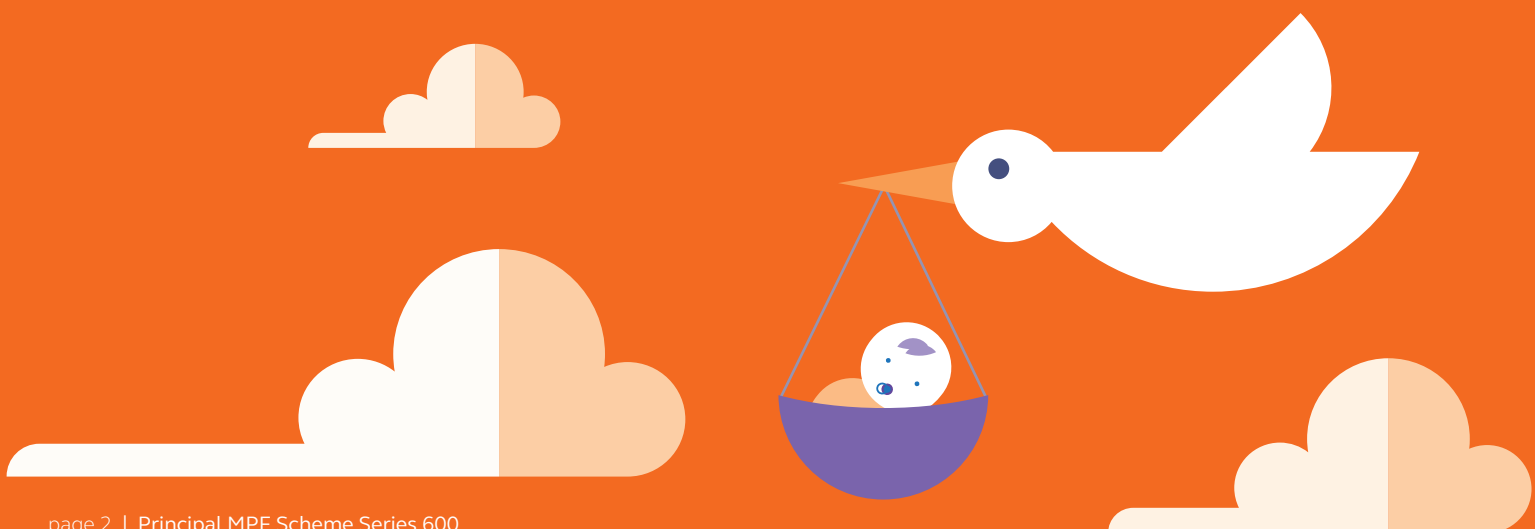
All capitalized terms in Reward 1 and Reward 2 below shall have the meaning as given to them in the Terms and Conditions attached herewith.

Reward 1

Customers would have an opportunity to enjoy management fee offer ("**Effective Fee**", please refer to the table below for details) by way of quarterly bonus unit credit if the account balances of their Principal MPF Personal Accounts are maintained at the requisite amount as at the Specific Cut-off Dates, subject to the other qualifying Terms and Conditions attached herewith being met.

The value of bonus units that a Member is entitled to receive for a Calendar Quarter is determined and calculated as follows:

- (a) If the Member invests in only one constituent fund, multiply the applicable bonus unit credit rate (as defined in (4) below) by (i) the amount of his/her Credit Balance in his/her Personal Account as at the Specific Cut-off Date of that Calendar Quarter; and (ii) the number of months in that quarter that he/she has Credit Balance in his/her Personal Account, and then divide the product by 12.
- (b) If the Member invests in more than one constituent fund, the calculation process set out in (a) will be performed for each of those constituent funds. The aggregate value of bonus units that the Member is entitled to receive is therefore equal to the sum of the value of bonus units for each of the constituent funds.



Credit Balance of Principal MPF Personal Account (HK\$)	Applicable Effective Fee for Personal Account (% p.a. of NAV)					
	Below \$30,000	\$30,000 – below \$100,000	\$100,000 – below \$200,000	\$200,000 – below \$500,000	\$500,000 – below \$1,000,000	\$1,000,000 or above
Name of Constituent Fund						
Principal Age 65 Plus Fund	0.75%					
Principal Core Accumulation Fund	0.75%					
Principal Stable Yield Fund Principal Long Term Accumulation Fund Principal Global Growth Fund Principal Aggressive Strategy Fund	1.49%	1.36%	1.26%	1.22%	1.12%	1.05%
Principal Asian Bond Fund	0.99%				0.95%	0.89%
Principal HK Dollar Savings Fund	0.99%				0.95%	0.89%
Principal Long Term Guaranteed Fund	2.00%					
Principal MPF Conservative Fund	0.95%					
Principal Hang Seng Index Tracking Fund*	0.89%					

*The management fee is referring to the management fee charge

S600 PA Program Reward 1 Illustration

Scenario 1

	April 2014	May 2014	June 2014
Does this member have Credit Balance in Personal Account?	✓	✓	✓

This refers to point (a) (ii) under Reward 1.

	Specific Cut-off Date in June 2014
Personal Account's Credit Balance (HK\$)	\$280,000

This refers to point (a) (i) under Reward 1.

Assuming the member only invests in Principal Global Growth Fund during the second Calendar Quarter in 2014.

Since this member has credit balance in all three calendar months in the second Calendar Quarter in 2014, his bonus units entitlement will be:

$$\begin{aligned}\text{Dollar amount of bonus units} &= [\text{Standard Management Fee} - \text{Effective Fee}] \times 3 / 12 \times \text{HK\$}280,000 \\ &= [1.49\% - 1.22\%] \times 3 / 12 \times \text{HK\$}280,000 \\ &= \text{HK\$}189.00\end{aligned}$$

Where Standard Management Fee for Principal Global Growth Fund as at Specific Cut-off Date in June 2014 is 1.49%.

Effective Fee for Principal Global Growth Fund as at Specific Cut-off Date in the Credit Balance range of "HK\$200,000 – below HK\$500,000" in June 2014 is 1.22%.

Scenario 2

	April 2014	May 2014	June 2014
Does this member have Credit Balance in Personal Account?		✓	✓

This refers to point (a) (ii) under Reward 1.

	Specific Cut-off Date in June 2014
Personal Account's Credit Balance (HK\$)	\$90,000

This refers to point (a) (i) under Reward 1.

Assuming the member only invests in Principal Global Growth Fund during the second Calendar Quarter in 2014.

Since this member has credit balance in two out of three calendar months in the second Calendar Quarter in 2014, his bonus units entitlement will be:

$$\begin{aligned}\text{Dollar amount of bonus units} &= [\text{Standard Management Fee} - \text{Effective Fee}] \times 2 / 12 \times \text{HK\$}90,000 \\ &= [1.49\% - 1.36\%] \times 2 / 12 \times \text{HK\$}90,000 \\ &= \text{HK\$}19.50\end{aligned}$$

Where Standard Management Fee for Principal Global Growth Fund as at Specific Cut-off Date in June 2014 is 1.49%.

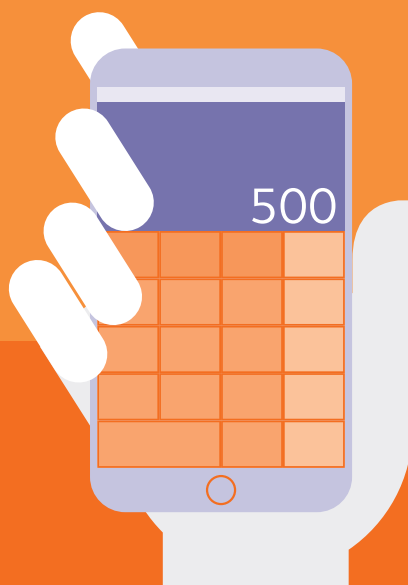
Effective Fee for Principal Global Growth Fund as at Specific Cut-off Date in the Credit Balance range of "HK\$30,000 – below HK\$100,000" in June 2014 is 1.36%.



Reward 2

Customers who have successfully transferred their accrued benefits (minimum HK\$50,000) to a Principal MPF Personal Account and remained there for **at least 3 months** would have an opportunity to receive one-off bonus units worth up to HK\$500. After Principal has received the requisite amount from a Member and such amount has remained in the Member's Personal Account for at least 3 months ("**3-month Period**"), the value of bonus units that the Member is entitled to receive will be used to subscribe for units of the Principal HK Dollar Savings Fund which is attributable to the Member's mandatory contribution on the 25th of the month immediately following the Calendar Quarter in which the date of expiry of the 3-month Period falls ("**Unit Credit Date**"), subject to the other qualifying Terms and Conditions attached herewith being met. Please refer to the following table for details of the requisite amount and the value of bonus units:

Requisite Amount (HK\$)	Value of Bonus Units Entitlement (HK\$)
\$50,000 – below \$100,000	\$100
\$100,000 – below \$150,000	\$200
\$150,000 – below \$200,000	\$300
\$200,000 – below \$250,000	\$400
\$250,000 or above	\$500



Terms and Conditions:

Reward 1:

1. This reward is applicable to Personal Account Members of the Principal MPF Scheme Series 600 (“**Scheme**”).
2. In determining whether a Personal Account Member is entitled to bonus units for a Calendar Quarter, Principal will take account of whether the Member has any balance standing to the credit of his/her Personal Account (“**Credit Balance**”) as at the Specific Cut-off Date pertinent to that Calendar Quarter. If there is none, then he/she will not be entitled to bonus units.
3. If a Member has Credit Balance in his/her Personal Account as at the Specific Cut-off Date pertinent to a Calendar Quarter, the Effective Fee for Personal Account applicable to each of the constituent funds in which he/she invests will be determined by reference to the amount of his/her Personal Account’s Credit Balance as at that cut-off date.
4. The applicable bonus unit credit rate in respect of a constituent fund in which a Member invests equals the Standard Management Fee minus the Effective Fee for Personal Account applicable to that constituent fund.
5. The value of the bonus units for each of the constituent funds that a Member invests (calculated in accordance with (Reward 1(a), (b)) above) will be used to subscribe for units of the constituent funds on that Specific Cut-off Date. Such units will be credited to the corresponding subaccounts of the Member’s Personal Account for each of those constituent funds on that Specific Cut-off Date.
6. In the event of any subsequent changes being made to the Standard Management Fee of the constituent funds, the Effective Fee for Personal Account applicable to a Member shall remain unchanged.
7. **For the avoidance of doubt, if a Member has submitted a written request to Principal to transfer or withdraw his/her entire Credit Balance on or before the Specific Cut-off Date, the Member shall NOT be entitled to bonus units under this reward even though he/she has Credit Balance as at the Specific Cut-off Date.**
8. Definitions:
 - (a) Calendar Quarter means any one of the following time periods during a given year: January 1 through March 31, April 1 through June 30, July 1 through September 30, or October 1 through December 31.
 - (b) Specific Cut-off Date for a Calendar Quarter means the 25th of the last month of that Calendar Quarter (i.e. March 25, June 25, September 25 or December 25). If that day is not a business day, the Specific Cut-off Date will be the immediately preceding business day; and if a black rainstorm or typhoon no. 8 signal or above is hoisted on that day and hence business is closed on the whole of that day, the Specific Cut-off Date will be the immediately following business day.
 - (c) Standard Management Fee means the management fees of the constituent funds under the Scheme as disclosed in the “Fees and Charges” section of the MPF Scheme Brochure and Addendum (if any) of the Scheme.

Reward 2:

1. This reward is applicable to new/existing Personal Account Members of the Scheme.
2. New/existing customers who have transferred the requisite amount in one lump sum from the other MPF service providers to their existing Personal Account under the Scheme or existing Principal MPF Scheme terminated employee members/terminated self-employed members who have transferred their accrued benefits of the requisite amount in one lump sum to a Personal Account under the Scheme with a valid “Fund Transfer Form” are entitled to bonus units under this reward. Please refer to the table above for details of the requisite amount and the bonus units entitlement.
3. Bonus units as per (Reward 2) above will be credited on the Unit Credit Date. If that day is not a business day, bonus units will be credited on the immediately preceding business day; and if a black rainstorm or typhoon no. 8 signal or above is hoisted on that day and hence business is closed on the whole of that day, bonus units will be credited on the immediately following business day.
4. **For the avoidance of doubt, if a Member has submitted a written request to Principal to transfer or withdraw his/her account balance, in whole or in part, from his/her Personal Account under the Scheme on or before the Unit Credit Date, the Member shall NOT be entitled to bonus units under this reward.**

General:

1. This promotional offer cannot be enjoyed in conjunction with any other bonus units promotional programs for Personal Account under the Scheme.
2. If a Member has more than one Personal Account under the Scheme, each of those Personal Accounts will be considered independently when determining bonus units entitlement under both rewards.
3. This promotional offer may be withdrawn or the details of which may be changed by Principal at its sole and absolute discretion without prior notice.
4. In case of any disputes, the decision of Principal shall be final.

According to the Personal Data (Privacy) Ordinance, you may, at any time and without charge, request to have your personal data ceased to be used for direct marketing purposes. Such request can be made in writing to Data Protection Officer, Principal Trust Company (Asia) Limited, 30/F, Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong.

Issuer of this material: Principal Trust Company (Asia) Limited