

A small step to your better retirement with

Principal Special Voluntary Contributions

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. Each of the Principal Capital Guaranteed Fund and the Principal Long Term Guaranteed Fund invests solely in an insurance policy-based Approved Pooled Investment Fund (“**APIF**”) issued by Principal Insurance Company (Hong Kong) Limited (“**Principal**”). The guarantee is also provided by Principal. Your investments, if any, in the Principal Capital Guaranteed Fund and the Principal Long Term Guaranteed Fund are therefore subject to the credit risk of Principal. Please refer to section 3.4.1 (*Principal Capital Guaranteed Fund*) and section 3.4.2 (*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 (other than accrued benefits attributable to Tax Deductible Voluntary Contributions (“**TVC**”)) from or within the Scheme*) of the relevant MPF Scheme Brochure. Please refer to section 3.4.2 (*Principal Long Term Guaranteed Fund*) of 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. Principal, the guarantor of the Principal Capital Guaranteed Fund, will provide a guarantee to ensure the unit value of the Principal Capital Guaranteed Fund will never decrease. Prior to 30 December 2011, under the indirect charge option (i.e. the Class I Units), part of the management fee was asset based and was deducted from the net asset value of the Principal Capital Guaranteed Fund, while the remaining part was paid by deducting units from members’ account. As such, capital may not be guaranteed in absolute term for members under the indirect charge option before 30 December 2011.
5. 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.
6. 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.
7. You should consider your own risk tolerance level and financial circumstances before investing in the Default Investment Strategy (“**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.
8. 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.
9. 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 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.
10. 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.
11. 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.
12. 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.

Why Principal?

Principal offers you:



A wide range of Constituent Fund choices covering **different risk/return profile**



Global investment professionals and experts in managing the Constituent Fund



Value-added services including

- > Principal TeleTouch® hotline service (IVRS)
- > Principal MPF internet service
- > Principal Mobile Application
- > e-newsletters
- > client seminars

Plan Your Retirement with Principal Special Voluntary Contributions

On top of the mandatory contribution of your MPF Scheme, Principal Special Voluntary Contributions may help prepare you better for retirement. Its potential returns in the long run may assist you towards your retirement goals and a well-planned future.

Principal Special Voluntary Contributions offers you:

Diversified investment options

Principal MPF Scheme Series 800 offers a wide range of Constituent Fund choices with different investment objectives, investment portfolios and risk/return profile to cater to your needs.

Flexible premium payment options

Regular contributions start at HK\$500 monthly, or pay a minimum lump sum of HK\$1,000 each time (in each case, or such other minimum amount(s) as the Trustee may determine from time to time). You have the flexibility to change your investment portfolio or withdraw your contributions at any time.

(Special Voluntary Contributions Member may withdraw the account balance not more than four times in each financial year free of charge. Additional withdrawal will be subject to a handling charge of HK\$300 for each withdrawal and the said fees will be deducted from the withdrawal value.)

Your own decision

Any person at or above the age of 18 and below 65 (including employee member, self-employed person and personal account member) is eligible to join Principal Special Voluntary Contributions. Additional contributions and Constituent Fund selections are made at your own preference. It is independent from your employer, and you can arrange for the service yourself.

Benefits of Dollar Cost Averaging

Enrolment is easy. Upon completion of the application procedures, you may have the opportunity to benefit according to the “dollar-cost averaging” principle in the long run.

(Your contribution buys more units when the price is lower and fewer units when the price is higher. Over time, the dollar-cost averaging effect averages out the costs of your units and therefore reduces the effects of short-term market fluctuation on your investments.)

Features of Principal Special Voluntary Contributions

MPF scheme	Principal MPF Scheme Series 800
Minimum contribution amount	Lump sum : HK\$1,000 Monthly regular contributions : HK\$500
Payment method	Lump sum : Cheque Monthly regular contributions : Direct debit authorization (DDA)
Constituent Fund switching	Unlimited number of times per year Switching charge : Nil
Withdrawal	Free withdrawal up to four times per year (Special Voluntary Contributions Member may withdraw the account balance of not more than four times in each financial year free of charge. Additional withdrawal will be subject to a handling charge of HK\$300 for each withdrawal and the said fees will be deducted from the withdrawal value.)
Fees and charges	The management fees at the Constituent Fund level of the Constituent Funds under the Scheme range from 0.75% up to 2.00% per annum of their net asset value (NAV). The management fees include fees paid to the trustee, custodian, administrator, investment manager (including fees based on fund performance, if any) and sponsor of a scheme for providing their services to the relevant fund. Such fees are usually charged as a percentage of the NAV of a fund. A guarantee charge of up to 1.00% per annum of NAV is applicable for the Principal Long Term Guaranteed Fund. For details of fee and charges, please refer to section 5 (<i>Fees and Charges</i>) of the relevant MPF Scheme Brochure.

Build your retirement nest egg early with Principal Special Voluntary Contributions

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



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