

Principal MPF Scheme Employee Members Asset Transfer-In Program



Important Notes:

1. The Principal Capital Guaranteed Fund (if any) and the Principal Long Term Guaranteed Fund/Guaranteed Fund under Principal MPF Scheme Series 500, 600 & 800 (collectively the "**MPF Schemes**") invests solely in an approved pooled investment fund in the form of an insurance policy issued by Principal Insurance Company (Hong Kong) Limited ("**Principal**"). The guarantee is also provided by Principal. Your investments in these funds, if any, are therefore subject to the credit risk of Principal. Please refer to the "Principal Capital Guaranteed Fund" (if any) and "Principal Long Term Guaranteed Fund"/"Guaranteed Fund" sections of the Principal Brochure / Explanatory Memorandum of the MPF Schemes for the details of the credit risk, guaranteed features and guaranteed conditions.
2. Principal, the Guarantor of the Principal Long Term Guaranteed Fund/Guaranteed Fund under the MPF Schemes, will only provide a guarantee of capital and a prescribed guarantee rate of return in certain specified circumstances. Please refer to the section "Provision of Guarantee" of the Principal Brochure / Explanatory Memorandum for details of the guarantee conditions.
3. Principal, the Guarantor of the Principal Capital Guaranteed Fund under Principal MPF Scheme Series 800, will provide a guarantee to ensure the unit value of the fund will never decrease. However, capital may not be guaranteed in absolute term if units in the members' accounts have been deducted for management fee. For details, please refer to the Principal Brochure of the Principal MPF Scheme Series 800 under the section "How the guarantee works" and "Fees and Charges" respectively.
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. Investments in this fund will be subject to investment risks.
5. The Principal MPF Conservative Fund under Principal MPF Scheme Series 600 & 800 and the MPF Conservative Fund under Principal MPF Scheme Series 500 are not guaranteed funds and do not guarantee the repayment of capital. Fees and charges of a MPF conservative fund can be deducted from either (i) the assets of the fund or (ii) members' account by way of unit deduction. The Principal MPF Conservative Fund under Principal MPF Scheme Series 600 & 800 and the MPF Conservative Fund under Principal MPF Scheme Series 500 use 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 own risk tolerance level and financial circumstances before making any investment choices. When, in your selection of funds, you are in doubt as to whether a certain 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 fund(s) most suitable for you taking into account your own circumstances.
7. In the event that you do not make any investment choices, please be reminded that any contributions made and/or benefits transferred into the MPF Schemes will be invested into the Principal HK Dollar Savings Fund under Principal MPF Scheme Series 600 & 800 and the Stable Growth Fund under Principal MPF Scheme Series 500, and such funds may not necessarily be a suitable investment for you.
8. Investment involves risks. The value of the funds may go up or down. You should not invest in reliance on this marketing material alone. You should read the Principal Brochure/Explanatory Memorandum of the MPF Schemes for further details (including investment policy, risk factors, fee and charges of the constituent funds).

Why Principal MPF Services?

Comprehensive & 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.

Pension Specialists – Our experienced pension specialists possess high level of 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 remaining flexible enough to change with you. Besides, we also provide excellent customer services to scheme 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 Center. With these, members can access their account balances, daily fund price, investment performance and even switch funds anytime and anywhere. In addition, by registering the Principal e-Channel Service, members will enjoy a wide array of free services including regular pension account balance update, updated information on Principal products and services as well as member benefits via e-mail and SMS.

How To Make A Transfer?

Transfer your accrued benefits to Principal MPF Employee Account by completing and returning the Fund Transfer Form to Principal. The form can be downloaded at www.principal.com.hk

**For details of the Program,
please call our Customer Service Hotline: (852) 2827 1233
or visit our website www.principal.com.hk**

Special rewards

Effective from 1 October 2011, Employee Members who have successfully transferred their accrued benefits (minimum HK\$50,000) to the Principal MPF Scheme Series 500, 600 & 800 ("**MPF Schemes**") Employee Account and remained there for **at least 3 months** would have an opportunity to receive one-off bonus units worth up to HK\$500, 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:

1. The offer is applicable to all existing Employee Members of the MPF Schemes.
2. Employee Members who have transferred the requisite amount in one lump sum from the other MPF service providers to their existing MPF Employee Account under the MPF Schemes 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. The maximum entitlement is capped at bonus units with a value of HK\$500 for each transfer made by an eligible Employee Member to Principal.
4. After Principal has received the requisite amount from an Employee Member and such amount has remained in the Employee Member's MPF Employee Account for at least 3 months ("**3-month Period**"), the value of bonus units that the Employee Member is entitled to receive will be used to subscribe for units of the Principal HK Dollar Savings Fund under Principal MPF Scheme Series 600 & 800) and the Stable Growth Fund under Principal MPF Scheme Series 500) which is attributable to the Employee 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**").
5. Bonus units as per (4) 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.
6. For the avoidance of doubt, if an Employee Member has submitted a written request to Principal to transfer or withdraw his/her account balance, in whole or in part, from his/her Employee Account under the MPF Schemes on or before the Unit Credit Date, the Employee Member shall NOT be entitled to bonus units under this reward.
7. If an Employee Member has more than one MPF Employee Account under the MPF Schemes, each of those MPF Employee Account will be considered independently when determining bonus units entitlement under this reward.
8. This promotional offer may be withdrawn or the details of which may be changed by Principal at its sole and absolute discretion by giving 3 months' prior notice via selected customer communication channels, including but not limited to newsletters and/or company website.
9. In case of any disputes, the decision of Principal shall be final.
10. Definition:
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.

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