

## Important Notes:

1. Principal International Equity Fund will invest primarily in equity securities selected from investment markets around the world.
2. Investment involves risk. There is no assurance on investment returns and your investments may suffer significant loss.
3. The investment decision is yours but you should not invest in this Fund unless the intermediary who sells it to you has advised you that it is suitable for you and explained how it is consistent with your investment objectives.
4. You should not invest solely in reliance on this marketing material alone. You should read the Explanatory Memorandum of Principal Life Style Fund for further details (including investment policy, risk factors, fees and charges, and fund information).

## Fund Objective

Principal Life Style Fund – Principal International Equity Fund aims to seek capital growth over the long-term by investing in international equity markets. The Fund seeks to achieve its objective by investing primarily in equity securities selected from investment markets around the world. The Fund may also hold cash and short-term investments. The risk profile of the Principal International Equity Fund is generally regarded as high.

## Fund Commentary

### Market Review

The MSCI All Country World Index returned -2.86% in November. During the month, the consumer staples, energy and health care sectors were the best performing sectors. The financials, materials and consumer discretionary sectors lagged in performance. From a country perspective, the US held strong relative to most countries as well as South Africa with a flat return for the most part. Developed countries, including Canada and the United Kingdom, were able to cut back on some of its losses as Emerging markets took a greater hit for the month.

### Fund Performance

The fund underperformed the index for the month. Stock selection positively contributed to performance the most in the health care, utilities and consumer staples sectors; while stock selection in the materials, industrials and information technology sectors lagged the most. From a country perspective, stock selection contributed most positively to performance in developed markets, namely the US and Canada. Stock selection in Asia Pacific ex-Japan countries, including China, Hong Kong and Australia detracted from performance this month.

### Portfolio Strategy & Outlook

Recent weakness in economic indicators and diminished confidence in public policy led us to reduce our pro-cyclical exposures and increase our emphasis on quality at the margin. We remain confident in the media recovery as major corporations continue to spend on advertisement. We are also cautiously optimistic with regard to business spending and reinvestment, particularly in the technology sector, with a primary emphasis on software. We have reduced exposure to semiconductors. Consumer finance, particularly in the US, is another area where we see potential growth. On the other hand, we continue to maintain a defensive position in Southern European financials. Lastly, continued low medical utilization rates should benefit the managed care companies. We continue to be slightly overweight the industry.

### TOP TEN HOLDINGS

Stock	Country	%
APPLE INC	US	1.70%
ROYAL DUTCH SHELL PLC-CLASS B	GB	1.36%
PHILIP MORRIS INTERNATIONAL	US	1.36%
CHEVRON CORP	US	1.31%
MICROSOFT CORP	US	1.19%
EXXON MOBIL CORP	US	1.07%
PFIZER INC	US	1.07%
GOOGLE INC-CLASS A	US	1.04%
TOTAL SA	FR	0.96%
NOVARTIS AG-REG SHS	CH	0.96%

\* Investors should be aware that the exposure of the Fund can change significantly on a daily basis.

This flyer is to be read in conjunction with the Explanatory Memorandum. Future performance and the capital value of the Fund are not guaranteed. Past performance figures are not indicative of future performance. The value of units may rise as well as fall. Investors are reminded that in certain circumstances their right to redeem may be suspended. Full details of the risks of investing in the Fund are contained in the Explanatory Memorandum. We recommend investors obtain and read a copy of the Explanatory Memorandum before investing. This material has not been reviewed by the Securities and Futures Commission.  
Issuer: Principal Asset Management Company (Asia) Limited

## QUICK FUND FACTS

Fund Manager	Principal Asset Management Company (Asia) Limited
Launch Date	2 July 2003
Fund Domicile	Hong Kong
Base Currency	Hong Kong Dollar
Fund Size (million)	HK\$1,741.0
Risk Profile	High

## MINIMUM SUBSCRIPTION

### Retail Class

- Initial Subscription (inclusive of initial charges) HK\$10,000 / class
- Each Subsequent Subscription (inclusive of initial charges) HK\$ 5,000 / class
- Regular Savings Plan HK\$ 2,000 per month / class

### Investment Class

Please contact us for more information.

## FEE STRUCTURE

### Retail Class

- Initial Charge Up to 5%
- Management Fee 1.20% p.a.
- Trustee Fee 0.20% p.a.
- Switching Fee 4 free switches / year<sup>#</sup>
- Valuation Fee Up to HK\$1,000 / month

For other charges and expenses, please refer to the Explanatory Memorandum.

### Investment Class

Please contact us for more information.

<sup>#</sup> Switching fee of up to 1% of the issue price of the new class of units to be issued may be levied for subsequent switches.

## Cumulative Return(%)<sup>1</sup>

	1 month	3 months	1 year	3 years	5 years	Since Inception
Fund	-3.12	-2.61	-0.82	31.70	-19.22	53.68
Index <sup>2</sup>	-2.86	-2.92	-0.24	40.94	-10.26	57.86

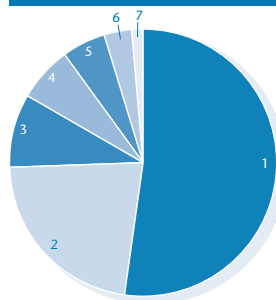
## Calendar Year Return(%)<sup>1</sup>

	Year-to-date	2010	2009	2008	2007	2006
Fund	-7.54	11.82	23.90	-44.80	11.51	19.13
Index <sup>2</sup>	-7.14	13.08	30.04	-41.09	9.32	20.46

<sup>1</sup> The performance information reflects performance of the retail class units. It is denominated in HK dollar and calculated on NAV to NAV basis. The source of the performance is from Lipper and Principal Asset Management Company (Asia) Limited. Outperforming the MSCI All Country World Index is not specifically included in the objective of the Fund and the figures shown in the table are provided as a comparison only. The two methods of calculation of performance may not be identical.

<sup>2</sup> MSCI All Country World Index (Effective from 1 Apr 2010. The previous benchmark was MSCI World Index)

## Asset Allocation



1	North America Equities	52.5%
2	Europe Equities	22.2%
3	Asia Pacific ex China ex HK ex Japan Equities	8.9%
4	Japan Equities	6.4%
5	Hong Kong / China Equities	5.5%
6	Other Country Equities	3.2%
7	Cash	1.3%