Principal Life Style Fund - International Equity Fund

As of 29 January 2010

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

During January the global equity markets posted negative returns as the MSCI World Index decreased 3.97%. During the month all sectors posted negative returns with the materials, telecommunication services and the information technology sectors performing the worst during January. From a country perspective stocks in Denmark, Finland and Japan performed the best for the month, while stocks in Greece, Spain and Portugal lagged the most for the month.

Fund Performance

The fund outperformed the MSCI World Index for the month of January. Stock selection positively contributed to performance the most in the financials, telecommunication services and health care sectors, while stock selection in the materials and utilities sectors lagged the most. From a country perspective, stock selection contributed most positively to performance in the United States, Japan and the Netherlands, while stock selection in Australia, Switzerland and Finland negatively impacted performance the most in January.

Portfolio Strategy & Outlook

The fund continues to overweight stocks with improving business fundamentals, rising investor expectations and attractive relative valuations. Stock selection remains the primary source of outperformance.

TOP TEN HOLDINGS

Stock	Country	%
MICROSOFT CORP	US	1.30%
GENERAL ELECTRIC CO	US	1.10%
WELLS FARGO & CO	US	1.06%
AT&T INC	US	1.04%
PROCTER & GAMBLE CO	US	1.02%
EXXON MOBIL CORP	US	1.02%
CISCO SYSTEMS INC	US	1.01%
WAL-MART STORES INC	US	0.96%
BP PLC	GB	0.90%
ROCHE HOLDING AG-GENUSSCHEIN	CH	0.88%

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

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$1,432.9
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#
- 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.

\# 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(%)[1]

	1 month	3 months	1 year	3 years	5 years	Since Inception
Fund	-3.31	1.80	28.98	-27.06	5.48	43.73
Index[2]	-3.97	1.88	37.61	-19.43	10.83	47.29

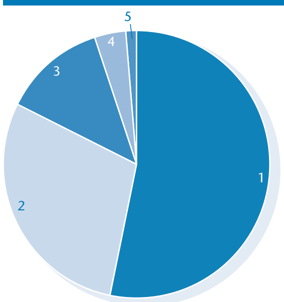
Calendar Year Return(%)[1]

	Year-to-date	2009	2008	2007	2006	2005
Fund	-3.31	23.90	-44.80	11.51	19.13	18.10
Index[2]	-3.97	30.86	-40.69	9.85	21.02	9.75

1 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 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.

2 MSCI World Index

Asset Allocation



1	North America Equities	53.2%
2	Europe Equities	29.2%
3	Japan Equities	12.5%
4	Asia Pacific ex China ex HK ex Japan Equities	3.8%
5	Cash	1.3%

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

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