

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 May, the global equity markets posted negative returns as the MSCI All Country World Index decreased 9.21%. All sectors posted negative returns with the consumer staples and telecommunication services sectors performing the best while the energy, financials and materials sectors lagged the most. From a country perspective stocks in all countries except Peru posted negative returns, stocks in Greece, Hungary and Ireland lagged the most in May.

Fund Performance

The fund underperformed the index for the month of May. Stock selection positively contributed to performance the most in the financials and health care sectors, while stock selection in the energy, consumer discretionary and materials sectors lagged the most. From a country perspective, stock selection contributed most positively to performance in Australia, Thailand and the Netherlands while stock selection in Japan, Norway and Germany negatively impacted performance the most in May.

Portfolio Strategy & Outlook

The portfolio 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	1.41%
GENERAL ELECTRIC CO	US	1.27%
EXXON MOBIL CORP	US	1.18%
PROCTER & GAMBLE CO	US	1.02%
AT&T INC	US	0.99%
INTEL CORP	US	0.95%
WELLS FARGO & CO	US	0.93%
WAL-MART STORES INC	US	0.92%
ORACLE CORP	US	0.90%
GOLDMAN SACHS GROUP INC	US	0.85%

* 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\$1,423.6
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	-9.45	-3.36	10.44	-35.67	1.24	39.65
Index ²	-9.21	-3.39	14.41	-28.71	5.12	41.33

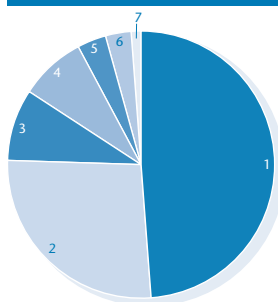
Calendar Year Return(%)¹

	Year-to-date	2009	2008	2007	2006	2005
Fund	-6.05	23.90	-44.80	11.51	19.13	18.10
Index ²	-5.99	30.04	-41.09	9.32	20.46	9.21

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 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.

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

Asset Allocation



1	North America Equities	48.8%
2	Europe Equities	26.7%
3	Asia Pacific ex China ex HK ex Japan Equities	8.7%
4	Japan Equities	8.0%
5	Hong Kong / China Equities	3.5%
6	Other Country Equities	3.1%
7	Cash	1.2%